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LEGISLATIVE HISTORY

Public Law 88-258
H. R. 9499

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INDEX AND SUMMARY OF H. R. 9499

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Several Representatives debated merits of funds.
- Dec. 14, 1963 House Appropriations Committee reported H. R. 9499. H. Report No. 1040. Print of report.
- Dec. 16, 1963 House passed H. R. 9499 with amendments.
Bill not printed as passed by House.
- Dec. 17, 1963 H. R. 9499 referred to Senat Appropriations Committee. Not printed as referred.
Senate committee reported H. R. 9499 with amendments. S. Report.No. 785. Print of bill and report.
- Dec. 18, 1963 Senate began debate on H. R. 9499.
- Dec. 19, 1963 Senate passed H. R. 9499 with amendments. Senate conferees were appointed.
House conferees were appointed.
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- Dec. 21, 1963 House received conference report. H. Rept. 1087. Print of report.
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- Dec. 23, 1963 House refused to consider resolution providing for consideration of the conference report.
Several Representatives discussed wheat-for-Russia amendment.
- Dec. 24, 1963 House agreed to conference report.
- Dec. 30, 1963 Senate agreed to conference report.
- Jan. 6, 1964 Approved: Public Law 88-258.

Dec. 12, 1963

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HOUSE

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House of Representatives

The House met at 12 o'clock noon.

Rabbi Yaakov Pollak, of Young Israel of Jackson Heights, N.Y., offered the following prayer:

Master of the universe, Lord of all, who implants into the soul of man virtue and reverence, aspiration and will to serve, bless Thou, we pray Thee, this assembly, the House of Representatives of the United States of America.

Grant our legislators amply from Thy spirit. May they be both dreamers of soaring dreams and wise interpreters thereof—and implementers for the greater good of our land and all lands that look to our great country for succor.

May the symbols of this, the anniversary of the Maccabean victory, stand ever as an inspiration to this Hall. May the light of its lamp be fed by the pure consecrated oil of justice and truth alone; may it ever suffice that they be not tempted to borrow for it the contaminated fuel of expediency. Then Thou in Thy abundant mercy stand up for our beloved country in her times of perplexity and need. Plead her cause, judge her suit, avenge her wrong. Cause the mighty to be also the good, make the strong take thought for the weak, the many for the few. Let evil make way to righteousness and arrogance to humility before Thee.

Grant once more and continuously the miracle of the never failing light and may the lamp in the hands of this House light up the road which leads to the Messianic age of the brotherhood of man and the fatherhood of Thee. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H.R. 8751. An act to amend the act of March 2, 1931, to provide that certain proceedings of the AMVETS (American Veterans of World War II), shall be printed as a House document, and for other purposes;

H.R. 9009. An act to amend further the Peace Corps Act, as amended;

H. Con. Res. 230. Concurrent resolution authorizing the printing of 5,000 copies of the study, "Tax-Exempt Foundations and Charitable Trusts: Their Impact on Our Economy—Second Installment," for the use of the Select Committee on Small Business;

H. Con. Res. 231. Concurrent resolution authorizing the printing of 5,000 copies of the study, "Tax-Exempt Foundations and Charitable Trusts: Their Impact on Our Economy," for the use of the Select Committee on Small Business; and

H. Con. Res. 237. Concurrent resolution providing for the printing of additional copies of certain opinions of the Supreme Court of the United States in cases involving the offering of prayers and reading from the Bible in public schools.

FOREIGN AID

(Mr. PASSMAN asked and was given permission to address the House for 1 minute.)

Mr. PASSMAN. Mr. Speaker, just what kind of predicament do we find ourselves in with the foreign aid bill? It is only 12 days until Christmas and we are still dillydallying around without an authorization bill. I am told that the other body is waiting for the House to mark up its bill before they proceed with the authorization bill conference report, and even after that, they will hold additional hearings on the request for an appropriation.

It would appear that members of my subcommittee are becoming restless and confused because I have delayed the markup. It is only a part of a plan to be fair to the overburdened American taxpayer with respect to this Santa Claus bill that I have arranged to mark up and report as I have.

I would certainly hate to think that my subcommittee's 800 hours of research and hearings, covering 13,000 pages of transcript and 3,900 pages of printed hearings so as to pin down the facts and figures as they are, would go down the drain. I hope I will not be called upon to yield to those who have not had time to study the program. If I should yield, it would mean that I would have to sacrifice principle and ignore facts, in favor of political pressure and expediency. This, I will not do.

FILING OF REPORT ON THE FOREIGN AID APPROPRIATION BILL

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Saturday, December 14, to file a report on the foreign aid appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. RHODES of Arizona. Reserving the right to object, Mr. Speaker, will the gentleman from Louisiana defer his request until the gentleman from Massachusetts can get to the floor? He is not on the floor at this time but will be here later. I am hopeful that the gentleman's unanimous-consent request will be granted, but at this time I shall have to object unless he defers it.

Mr. PASSMAN. Mr. Speaker, I withdraw my request.

MENTAL RETARDATION

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday next for the House to consider a joint resolution making appropriations for certain activities of the Department of Health, Education, and Welfare related to mental retardation.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Saturday, December 14, to file a report on a House joint resolution making appropriations for certain activities of the Department of Health, Education, and Welfare related to mental retardation.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

SS "HOPE" ON THE JOB IN ECUADOR

(Mr. EDMONDSON asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Speaker, today, solidly at anchor in the swift currents of the Rio Guayas, just off the city of Guayaquil, Ecuador, is the American hospital ship *SS Hope*.

It arrived there December 2 to conduct a medical teaching-training mission. When she leaves 10 months later she will be sorely missed. It has been that way in Indonesia, South Vietnam, and Peru, and her good and dedicated staff will make it so once again in Ecuador, for the *SS Hope* is one of the outstanding success stories in our country's oversea aid effort.

Her arrival in this principal port of Ecuador was greeted somewhat differently than in Peru a year before. Then she had been greeted by a dozen silent people and her coming had touched off anti-American demonstrations throughout that country.

When she finally departed Peru 40,000 people covered the ship with garlands, concluding a 2-day tribute to the medical staff in appreciation of the lives these Americans had saved and the pain they had alleviated.

The arrival into Guayaquil, Ecuador, was closer to that kind of a reception for the renown of this ship of *Hope* had already traveled north. Thousands lined the shore waving and shouting and small craft of every description surrounded the *Hope* and followed her up the Guayas to meet an official welcome party made up of Ecuador's leading government, military, and medical leaders.

Dr. William B. Walsh, founder and president of Project Hope was there to acknowledge this heartening welcome, and to pledge that:

We are so proud to share with you what we are so fortunate to be able to give, and we will give the best to you from our hearts and minds.

Within 48 hours 50 operations had been performed aboard the ship and 127 trainees had started to learn American techniques, and not so incidentally, American good will.

Since the first voyage in 1961, the log of the good ship *Hope* recounts a proud history: 4,000 major operations—a half million people examined and immunized—participation by 600 members of the American medical profession, most of them volunteers—and over 2,000 local counterparts trained to pass on a legacy of learning to their own countrymen.

On the eve of her departure to Ecuador, Dr. Walsh announced her next destination and the prospect of *Hope* for still another continent; this time Africa. In the fall of 1964, the good ship *Hope* will go directly from Guayaquil to Conakry, West Africa.

HEADQUARTERS OF THE 5TH ARMY, HYDE PARK, ILL.

(Mr. O'HARA of Illinois asked and was given permission to address the House for 1 minute.)

Mr. O'HARA of Illinois. Mr. Speaker, late yesterday afternoon I received a telephone call from the Defense Department that the headquarters of the 5th

Army were to be moved from Hyde Park in the district that I have the honor to represent. I was informed that the public announcement was to be made at noon today. Why the holding back of this information to the very late hour of late yesterday afternoon is beyond my understanding. No one outside of the Defense Department had been informed that such a drastic move was contemplated.

Some years ago the Defense Department made a thorough study of the advisability of this move and I was assured that on the basis of this study the headquarters of the 5th Army would remain in Hyde Park and not be removed to Fort Sheridan. I was informed at that time that the study showed conclusively that the removal to Fort Sheridan would entail a heavy loss on the Federal Government and would greatly increase the cost of operation of the headquarters of the great 5th Army. I cannot accept with complacency this sudden decision arrived at without any consultation with anyone outside of the Defense Department. With other members of the Illinois delegation, I am demanding an explanation. Certainly a move so drastic and so opposed to the interest of efficiency and economy should not proceed without a further study that due regard for the public welfare would seem indisputably to require.

A MAN OF COURAGE

(Mr. HECHLER asked and was given permission to address the House for 1 minute.)

Mr. HECHLER. Mr. Speaker, many Members of Congress preach economy in Government, but when those economies hit close to home it is a different story. I know how it feels and I guess I protested just as loud as anybody else when the Secretary of Defense announced it was necessary to cancel further progress on the "Big Dish" which the Navy was building at Sugar Grove, W. Va.

But I believe that the Nation owes a great debt of gratitude to the Honorable Robert S. McNamara for his great courage, his remarkable ability to arrive at difficult decisions, and his unparalleled devotion to what is good for the strength of America's defenses and the interests of the entire Nation.

There may be individual instances where people may not agree with certain decisions—and that is the American way—but I salute Secretary McNamara as a great Secretary of Defense who is working to build the strength of America and the free world.

BEST WISHES TO CONGREGATION ADATH JESHURUN ON THEIR EDUCATIONAL BUILDING PROJECT

(Mr. SNYDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SNYDER. Mr. Speaker, I would like to take this opportunity to congratulate the congregation of Adath

Jeshurun in Louisville, Ky., and to extend my best wishes to them for the success of their new educational building project. The congregation of Adath Jeshurun has never been content to provide outstanding moral and spiritual guidance alone. Throughout the years, since its founding 110 years ago, the men and women of congregation Adath Jeshurun have been active in practically every program to promote the welfare and betterment of the entire community. It is no exaggeration to say that from this remarkable congregation have come some of the most able and dedicated leaders that Louisville and Jefferson County has ever known—not only in spiritual and religious matters but in civic, cultural, and charitable endeavors as well. Not the least noteworthy of their recent contributions to the cultural enlightenment of our community is the new educational building program which they are currently undertaking.

The sound judgment of the congregation of Adath Jeshurun is evidenced by the fact that they have chosen to dedicate this edifice to the honor of Rabbi Jacob J. Gittleman, their spiritual leader for the past 47 years and a man highly esteemed and respected throughout the entire community by Jews and Christians alike. Almost a half century ago, Rabbi Gittleman came to our community, a young man and a recent graduate of the Jewish Theological Seminary of America. Since that time, he has devoted himself untiringly to the spreading of good will throughout the community. As far back as I can remember this dedicated man has stood out as one of the most valuable members of our community. While shrines are built of bricks and stones, Rabbi Gittleman's greatness is built on a much firmer foundation—in the minds and hearts of the many people of Louisville and Jefferson County whose lives have been touched by the numerous good works and kind deeds of this outstanding spiritual and civic leader.

I commend the members of Adath Jeshurun and their illustrious and learned leader. May the spirit of truth and knowledge flourish in their new educational building and stand as a lasting testimony of the enlightened goals of the men and women of Congregation Adath Jeshurun.

CIGARETTE SMOKING

(Mr. FINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINO. Mr. Speaker, the recent American Cancer Society report clearly and unequivocally reaffirms what has been known for a long time—that there is an intimate connection between smoking and cancer. The issue no longer is whether cigarette smoking is a health hazard but rather what can we, in Congress, do about this problem.

Although all kinds of suggestions have been made to discourage smoking because of its profound harmful effect on health, over 65 million Americans still continue to smoke. It is estimated that Americans

Communications Commission should be opened and examined with regard to the operations of this company since its inception. If this radio and television operation in Texas, until a few days ago under the control and management of the wife of the former majority leader in the other body, is as proper as we are told it is by the L.B.J. interests, there should be no objection to full disclosure and examination. But if, as alleged by potential competitors, it represents a monopoly in commercial television in a city of 200,000 then the manner of acquisition and maintenance of the monopoly becomes a matter of serious and public concern.

The Johnson family piled up a multi-million dollar fortune in this Government-controlled radio and television business while Lyndon Johnson was in Government office, prior to becoming President. On the basis of available facts, it would appear that the burden of proof is on the L.B.J. Co. to demonstrate that the FCC never engaged in any favoritism for a company owned by this family.

It would be naive to accept the self-serving contention that Lyndon Johnson has no interest in this business when his wife owns 52 percent of the stock and his daughters have had 30 percent of the stock in their names. In addition, the investigating committee is now in possession of information that the L.B.J. Co. was spending \$7,000 to \$12,000 a year for a "key man" insurance policy for \$200,000 on the life of Lyndon B. Johnson.

Certainly that would indicate Mr. Johnson had more than a benign interest in the firm.

Mr. Speaker, I reiterate that this investigation must go on fearlessly and unhampered. If fear of the executive branch or palship with Bobby Baker's crowd can kill or whitewash this much needed investigation then this Nation is in much worse shape than I believed possible.

This is no time for timidity for we have now reached the point where the integrity of the entire process of government is at stake. Make no mistake about it—if this investigation is squelched the responsibility will fall on every Member of Congress who stands idly by.

And the guilt will also fall on every newspaper that timidly bows and accepts, without a fight, what would patently be a political power play.

FOREIGN AID

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. FRASER], is recognized for 60 minutes.

(Mr. FRASER asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to include their remarks in the RECORD on the subject I am about to discuss.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRASER. Mr. Speaker, on next Monday the House is scheduled to take up the foreign aid appropriation bill. I have asked for this time in order that some of the Members who are concerned about the appropriation bill and how it will relate to the authorization bill which this House agreed to last Monday may express their views on this important question.

Mr. Speaker, I am one of those who hope the Appropriations Committee and the full House will approve the full amount of \$3,600 million which was contained in the conference report on the authorization bill agreed to on Monday last.

I believe we should appropriate the full amount for the following reasons:

First, the revised foreign aid authorization request of the President earlier this year was \$4.5 billion. The conference committee reported \$3.6 billion, which is a 20-percent cut in the revised request of the President. This is twice as large as any previous cut in any other authorization bill. In fact, it is a larger cut than has ever been made including both authorization and appropriation.

Second, because the authorizing committees and the House and Senate have already made unprecedented reductions in the request, the appropriations bill cannot be cut this year as it usually has been.

Third, the House has made clear its concern about some aspects of our foreign aid program by cutting the authorization, and we would defeat our purpose if we make additional cuts under the appropriations bill. Cuts in the authorization bill may help to make a case for improvements in the program, but our goal now should be to improve the program rather than to cripple it. If we go beyond the 20-percent reduction already made, we will endanger the effective operation of the program and thus hurt the case we have made for improvements.

Fourth, it is important to give the new President and the head of the Agency for International Development a chance to make further improvements in the program. Mr. Bell has already made remarkable progress in improving the Agency, and we would show a lack of confidence in him if we cut the program further at this time.

Fifth, additional cuts in the program would encourage budget padding next year, rather than the submission of a more realistic and reasonable request. Responsible congressional action on foreign aid appropriations will lend support to a more responsible administration request.

Sixth, Communist foreign aid programs are on the defensive. This gives us a golden opportunity to move into the vacuum in vital areas of Africa and Asia where the Communists are pulling out. Rather than cutting this program even further, we should be considering stepping it up.

Seventh, the situation in Latin America is both more hopeful and more critical than a year ago. Further cuts in the Alliance for Progress would have a very

unfortunate psychological effect at a dangerous period in the struggle to strengthen democracy in Latin America.

Mr. Speaker, the status of the appropriations bill is described in some detail in an article in the New York Times of December 12, today. I ask unanimous consent that this article may be inserted in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The article referred to is as follows:

(By Felix Belair, Jr.)

WASHINGTON, December 11.—President Johnson intervened today to prevent a further slash in this year's foreign aid funds.

He sought to maintain the \$3.6 billion compromise authorization recently approved by Senate and House negotiators.

He summoned Speaker JOHN W. MCCORMACK and Representative OTTO E. PASSMAN, chairman of the House Appropriations subcommittee on foreign aid, to a White House conference with David E. Bell, administrator of the Agency for International Development and Lawrence F. O'Brien, congressional liaison chief for the President.

From the meeting emerged a clear definition of the battle lines in what has already become the toughest behind-the-scenes fight over foreign aid in many years. President Johnson gave the component part of the \$3.6 billion he wants for this year's commitments. Mr. PASSMAN outlined his own set of figures. They were far apart both on figures and categories.

No agreement or compromise was sought or offered by either side. But it was implicit in the President's position that he was prepared to force a showdown on the House floor if Mr. PASSMAN carried out his announced intention to bring in an appropriation bill of less than \$3 billion for what the administration calls its substantive aid program.

Another major consequence of the meeting was to make it impossible for the Louisiana Democrat to outsmart the administration by making a deal on a certain appropriation figure to avoid a floor fight and then including in his agreement figure many extraneous items that the administration does not regard as part of the aid program.

Mr. PASSMAN has employed this technique with success several times in recent years. After reaching an understanding with the Speaker and the White House he has then included in the foreign aid appropriations bill such items as the Peace Corps, the civil administration expenses for the Ryukyu Islands and new funds for various Federal and multilateral financing agencies.

At today's meeting, for instance, the wily foe of the aid program included in his figures an estimated total of \$700 million of so-called carryover funds from prior appropriations. He proposed to include these in the appropriation bill he intends to bring out next week.

He was informed at the conference that his \$700 million figure was irrelevant since much of the amount was in the form of unobligated balances of various loan programs that were not subject to reappropriation and did not lapse at the close of the fiscal year.

President Johnson made it clear that the only carryover funds in which he was interested were \$209 million of unexpended balances of military and economic and appropriations that lapsed last June 30 and had to be reappropriated for that reason.

The President included in his \$209 million an item of \$127 million that was unexpended from his cold war contingency fund and that the administration said it was turning back

to the Treasury Department. That was before Senate-House negotiators compromised differences and brought back agreement on a contingency fund of \$160 million, compared with the administration's \$300 million asking figure.

Now, President Johnson made clear, he wants the \$127 million put back in the appropriation bill.

Representative PASSMAN was keeping his own counsel about his intentions. But some members of his subcommittee indicated that the President's intervention has put him in the most difficult position in many years in trying to win over a majority of the subcommittee to his formula.

This was reflected in his recent attempts to make a "no floor fight" deal with the Speaker. But Mr. McCORMACK's unwillingness to be maneuvered into the position of middleman culminated in today's White House meeting.

Resentment of some members of the subcommittee at what they considered Mr. PASSMAN's attempts to railroad his formula through that group broke into the open earlier in the day. On the House floor, Mr. PASSMAN sought unanimous consent to file by midnight Friday a report from the full appropriations panel on his bill.

Mr. FRASER. Mr. Speaker, it is important that there be no misunderstanding that we are talking about \$3.6 billion of new obligational authority. This does not include the Peace Corps appropriation nor the appropriation for other items not included in the authorization bill, which was finally settled last Monday; nor does this figure include money appropriated but not obligated in prior years. Customarily these unobligated funds are reappropriated, but this appropriation is separate from and in addition to the new obligational authority which is needed in the amount of \$3.6 billion.

Mr. EDWARDS. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I am glad to yield to the gentleman.

Mr. EDWARDS. Mr. Speaker, is the \$3.6 billion figure you are asking to be appropriated more money than was appropriated last year?

Mr. FRASER. No, in fact it is much less than was appropriated last year; \$3.9 billion in new obligational authority was appropriated last year, and the \$3.6 billion we are seeking this year is not only \$300 million less than that but also includes within it \$180 million for the Social Progress Trust Fund, used to support the Alliance for Progress in Latin America.

This figure of \$180 million is not ordinarily a recurring annual item.

Mr. EDWARDS. Does this \$3.6 billion appropriation include carryovers of funds previously appropriated but unobligated in fiscal year 1963?

Mr. FRASER. No, absolutely not. This \$3.6 billion is the full amount of the authorization approved Monday by the House in accepting the report of the committee of conference and is only for new obligational authority.

Mr. EDWARDS. Does the \$3.6 billion figure you are seeking include funds for the Peace Corps, the Ryukyu Islands, or any other activities?

Mr. FRASER. I am very happy that the gentleman asked this question. The answer again is—no. Absolutely not.

The \$3.6 billion is only for AID economic assistance and the military as-

sistance program. There may be a desire in some parts to include approximately \$300 million of related activities in the overall appropriations bill, but these should be in addition to the \$3.6 billion for AID and MAP assistance and not be deducted from it. The activities of the Peace Corps, the Department of the Army's administration of the Ryukyu Islands, assistance to Cuban refugees in the United States, migration and refugee assistance in Europe, and aid for the Inter-American Development Bank and the International Development Association are all eminently desirable activities worthy of support but they should be considered in addition to the \$3.6 billion AID economic aid and the military assistance program.

Mr. EDWARDS. Does the \$3.6 billion include any carryovers from the Peace Corps or other activities?

Mr. FRASER. Absolutely not.

Mr. EDWARDS. Is it unusual to have a carryover of unobligated funds from appropriations of previous years? Why shouldn't this carryover be deducted from the \$3.6 billion?

Mr. FRASER. I thank the gentleman again for asking this question.

It is not unusual to have a carryover of funds in programs such as this, and this carryover should not be deducted from the new appropriation. Last year's carryover was approximately \$600 million, and that was with an appropriation of \$3.9 billion of new obligations authority. The potential carryover this year is about \$525 million at the absolute outside, and most of this is in no-year funds which have already been appropriated and do not need reappropriation. The total economic aid carryover for AID is about \$315 million, and the fact that this money is available now is one indication that AID did not spend its funds rashly in a rush to commit them for fear of losing them. It should be clear that carryovers are not unusual and that, indeed, the President takes them into consideration in asking for new obligational authority. The President will need this carryover to add to the \$3.6 billion in new appropriations if he is to have an aid program strong enough to support U.S. foreign policy around the world.

Mr. EDWARDS. I thank the gentleman for his very specific answers.

Mr. FRASER. Mr. Speaker, many people think that the foreign aid program today is operating in the same way as it did 5 or 10 years ago; that nothing has changed, and no improvements have been made.

The fact is that the Foreign Assistance Act of 1961 instituted a basic change in direction in our foreign aid program. This act laid the groundwork for a significantly more effective concentrated aid program. It consolidated the many agencies and functions of U.S. foreign assistance activities into a single agency. It focused previously diffused operating responsibility into four regional bureaus, each reporting directly to the Administrator of the Agency. The potential effectiveness of this arrangement is now being realized throughout the program. Within the framework of the Foreign

Assistance Act of 1961, a number of basic specific improvements have been made and are continuing under the direction of the administrator. The program has been reshaped to effectuate congressional emphasis on, first, long-term development in AID recipient countries; second, increased participation in the economic assistance effort by other industrialized free world nations; third, maximum self-help and reform for AID recipients; and, fourth, building the institutional base for economic and social development of recipient nations.

With reorganization largely completed, a number of other major actions are now improving the foreign assistance effort.

First. The new administrator reviewed U.S. assistance policy toward each recipient country. This exhaustive review process generated the following results, first, decisions were made to reduce some planned programs and plan for termination of others; second, specific U.S. assistance objectives toward each recipient country were formulated on the basis of hard judgments about achievable goals and the ability of the U.S. and others to assist; third, strategies for each AID recipient country were developed specifying self-help measures which the U.S. believes necessary and the manner in which such action by AID recipients can be induced; fourth, concentration and selectivity both among AID recipient countries and within individual country aid programs have been increased. Now—20 countries receive 80 percent of economic assistance—10 countries receive 80 percent of military assistance.

Second. A number of steps have been taken to insure that revised policies and procedures for deciding on levels and kinds of assistance get down to the working field level. Among these steps were issuance for the first time of a comprehensive policy guidance manual and a number of discussions between field and Washington personnel on these basic policies and procedures.

Third. Task forces were established to review all procedures for carrying out assistance programs. The first procedures generated by this review have already been established. These procedures are designed to focus responsibilities more sharply, reduce paper flow, expedite action, and shift more responsibility to those charged with implementing the program in the field.

Fourth. Techniques have been further developed to tie the provision of assistance to actual self-help performance. In three Latin American countries, for example, aid is being released only as the country achieves certain fiscal, administrative, or monetary targets. When these targets have not been achieved, assistance has been withheld.

Fifth. Steps have been taken to further reduce the already small negative effect of AID on the current U.S. balance of payments. As a result, about 85 percent of the dollars appropriated for the fiscal year 1964 will never leave the United States; they will be spent for purchases at home. By next fiscal year—fiscal year 1965—it is estimated that the negative effect of AID assistance on

the balance of payments will be reduced to \$500 million.

Sixth. Loans have become the major instrument of foreign assistance. In fiscal year 1964, 60 percent of total economic assistance will be in loans, compared to 30 percent in 1961.

Seventh. Special efforts have been introduced and expanded to increase the role of private enterprise, both in the developing countries and in the United States in a development effort. The new office of Development Finance & Private Enterprise, headed by an Assistant Administrator, who reports directly to the Administrator, is spearheading this effort. As a result, since September 1962, 16 completely new investment guarantee agreements have been filed with developing countries. In eight other countries, coverage has been expanded. During this fiscal year, the total of investment guarantees of all types will cross the \$1 billion mark. Local currency loans to private investors under Public Law 480 have increased rapidly. AID has loaned more than \$150 million in development loans to private enterprise since AID was established. AID has mounted a new program to help U.S. private enterprise to survey investment opportunities around the world.

Eighth. AID has met with increasing success in its efforts to get other industrialized nations to provide more assistance on more liberal terms. In the last month, the British have issued a white paper outlining their intention to substantially liberalize the terms on which they provide assistance.

Ninth. AID has adopted a policy of hardening its loan terms as soon as the capacity to repay of recipient countries has improved sufficiently. Greece, Israel, Taiwan, and Thailand provide examples of countries in which loan terms have been progressively hardened from fiscal 1962 to 1963.

Tenth. AID has completed termination of economic assistance programs to 15 developed countries of Europe.

Eleventh. To improve performance and minimize the need for full-time permanent employees, AID is making increasing use of the vast talents of the entire American community in its assistance efforts. These include business and industry, colleges and universities, private service organizations, and other Federal Government agencies and State governments.

Twelfth. More effective methods of administration of the program overseas have been developed. Already AID has created 10 "delegated posts" in which the Ambassador performs AID functions, thus eliminating the need for a separate AID mission and director. In other countries, steps are being taken to consolidate management functions of AID, USA, and embassies.

Thirteenth. AID has exercised tight control over personnel levels and functions. Major personnel functions have been decentralized to the four regions, thus improving efficiency and reducing duplication. Many missions have been reduced in size; others notably in Latin America have been increased. Sharp reductions in personnel have been ef-

fectured in Greece, Israel, Korea, Libya, Ethiopia, and free China. Loan officers and public safety advisers have been added—with increase offset by reductions in other technical specialties.

Fourteenth. Organizational changes have been made to improve AID's ability to do the job. AID established the International Development Organizations Staff to secure better aid contributions from other donors, and to improve aid coordination, set up an Office of Public Safety to focus emphasis on internal defense efforts in certain countries, organized a Cooperative Staff to focus on development of cooperatives in aid-receiving countries. These additions required some additional staff, but were mainly accomplished within existing resources by making cuts in other head-quarter staff units.

Fifteenth. AID is now probing ways to improve recruiting of the many talents needed in the foreign assistance effort. Contacts are being expanded with universities, and with trade, labor, and professional organizations. Expanded use of short-term consultants on contracts with firms and private organizations are another possibility. Improvements are being pursued in AID's ability to attract able young people, to achieve more effective manpower planning, to improve in-service training and career development systems.

Mr. MOORHEAD. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman.

Mr. MOORHEAD. Mr. Speaker, I commend the gentleman from Minnesota for bringing this very important problem to the attention of the Congress. As a distinguished member of the Committee on Foreign Affairs the gentleman from Minnesota knows whereof he speaks and his words should be given close attention by the Members of the Congress.

Few programs have caused such titanic conflict between the Congress and the Executive as that relatively small item in our budget known imprecisely as foreign aid.

In Congress I hear such invectives applied as "foreign giveaway," "foreign boondoggle," "global handout," "flagrant waste."

Yet this horrible thing has been supported since its inception by both Republican and Democratic administrations. It is even now supported by Hoover, Landon, Nixon, Truman and Eisenhower in their role as elder statesmen. It was supported by John F. Kennedy and is now by the present occupant of the White House, Lyndon B. Johnson.

Every Secretary of State—Marshall, Acheson, Dulles, Herter, and Rusk—Republicans and Democrats have all supported it. And finally, both party platforms have endorsed the idea of mutual security, which is a more correct description of the program's purpose. Thus, since we find no evidence that this is strictly a political issue, perhaps there is an institutional reason for this conflict.

Under our Constitution the primary responsibility in foreign affairs was given to the Executive.

But, the Congress, and especially the House, was given the primary responsibility for raising revenues and appropriating funds.

President Kennedy concurred with this system of checks in his November 15, 1963, press conference when he stated, "It's been said very many times, and I've never questioned it, that the Senate and the Congress have every right to decide how much money should be appropriated. That's their constitutional right."

President Johnson reaffirmed that belief in his address of November 27.

If, instead of thinking foreign aid as a foreign policy question, one judges it in the light of the constitutional duty of collecting money from taxpayers and appropriating it for their benefit, support of foreign aid, at first glance, becomes more difficult. For while my constituents look primarily to the President of the United States for leadership in foreign affairs, they look to me to represent them in domestic matters. If they ask me to support a tax cut or vote for more money for housing, urban renewal, mass transportation, education, unemployment benefits, increased social security benefits and I say there is not enough money—their first reaction is—cut foreign aid.

If we are seeking a flood control project to protect our city and are turned down by the Bureau of the Budget, my constituents will point to some dam in a foreign country and say "Why benefit Slobovians over Pennsylvanians?"

This is a natural reaction if we look at foreign aid as a money bill and from a parochial standpoint. But I submit it must be viewed from the national standpoint. For instance, even though Republicans in the House of Representatives voted 120 to 52 against the Foreign Assistance Act of 1963, the House Republican leadership—the floor leader, the whip, the chairman of the Republican conference and the Republican national chairman—men whose position requires them to have a national party interest broader than their constituents viewpoint all voted for the Foreign Assistance Act. They voted the same way this week on the conference report.

Thus, if you look at foreign aid as our Presidents and other national party leaders have done, primarily as an instrument of foreign policy, you reach the same conclusions.

In a press conference held not long before his death, President Kennedy stated his position in the strongest possible terms:

I just want to say personally as President—and my predecessor said the same—this program is essential to the conduct of our foreign policy and therefore, I'm asking the Congress of the United States to give me the means of conducting the foreign policy of the United States.

And if they do not want to do so, then they should recognize that they are severely limiting my ability to protect the national interest. That is how important I think this program is.

Let us then look at foreign aid from the standpoint of protecting the national interest.

It seems to me that we have three clear choices.

First. Cease all foreign aid programs and accept as inevitable the fact that many free nations will be taken over by the Communists either externally or internally or by the use of Communist foreign aid programs.

Second. Cease all foreign aid but be ready and willing to use American troops to put down communistic insurrection, infiltration, or outright aggression in all the many parts of the world where this might occur.

Third. Continue some form of a foreign aid program.

I doubt that the opponents of the foreign aid program are seriously advocating the first course of action which recognizes as inevitable the loss of many countries to the Communists. These opponents, at least in their words, are among the most ardent foes of communism. Surely these opponents who condemn so vociferously what they call a no-win policy could not seriously be advocating a planned policy of surrender and defeat.

Then do they, in the name of economy, advocate the replacement of our foreign aid program by the infinitely more expensive policy, reliance upon American troops, to put down Communist insurrection, infiltration, or outright aggression in all parts of the world where this may be necessary. For example, the cost of maintaining a U.S. soldier is more than six times the cost to maintain a Vietnamese soldier—\$3,948 versus \$651. Wars—even the most limited of wars—are so expensive that almost any policy which can avoid our involvement in war must be a moneysaving policy.

We come, therefore, inevitably to the third alternative—we must have some kind of a foreign aid program.

Having reached this conclusion, we are just at the beginning of the discussion.

How much foreign aid? What type of foreign aid? To what countries? How should it be administered?

These are questions which the Congress can properly discuss so long as we remember that this question must be viewed from a national and not from a parochial standpoint.

Much of the debate over foreign aid has been whether we should stress military or economic aid.

In my opinion a more meaningful division of thought would be to divide the recipient countries into two categories, first tactical and second strategic—recognizing, of course, that there are some countries which are a mixture of both.

By tactical countries, I mean both allied and neutral countries, who lie adjacent to Communist borders and who seek to maintain their own independence.

In the past year's program, over \$1 billion was allotted for the direct military assistance to countries on the Communists bloc's periphery which are allied with us or each other in defense against Communist attack. In addition to military aid, these countries also received about \$700 million in economic aid to support their military efforts and otherwise add to their stability and growth. These funds represent 44 percent of this

year's total foreign assistance appropriation. If we add to this the military and economic support of Vietnam and Laos and other border countries which wish to retain their independence though not allied with us or other countries in common defense pacts, total expenditures for military support and accompanying economic aid in the border areas aggregate \$2.8 billion or 72 percent of total appropriations. In these tactical countries, on the whole, our help has purchased very little development. In these same countries the principal examples of waste and corruption have occurred. It is, I believe, primarily as a result of particular events in these countries that some of the deepest congressional and public misgivings about foreign aid have derived. Yet, the Clay report—in talking of aid—to these tactical countries—said "Dollar for dollar, these programs contribute more to the security of the free world than corresponding expenditures in our defense appropriations."

Seventy-two percent of our total foreign aid appropriation is made to those tactical countries where the direct relationship to free world security is most evident. These nations are carrying defense burdens far beyond their internal economic capacity. While these countries are now receiving the major portion of U.S. foreign assistance, they are also providing more than 2 million men ready, for the most part, for any emergency. While their armies are to some extent static unless general war develops, they add materially to the free world strength so long as conventional military forces are required. As the Clay report said:

It might be better to reduce the resources of our own defense budget rather than to discontinue the support which makes their contribution possible.

In any review of the front-line or tactical countries, special attention must be given to India even though it is not an ally in the strict sense of the word. Up to June 30, 1962, we provided economic aid in the amount of \$3,952 million and no military aid to India. After the Chinese invasion we agreed to extend military assistance to India. India is of supreme importance to us. It is the only country of sufficient size in south Asia to be able to offset the Red Chinese power in Asia. Let us look at what has happened in India—partly as a result of our \$3.9 billion of foreign aid.

Recently, I had breakfast with Chester Bowles who served under President Truman and now under Presidents Kennedy and Johnson as our Ambassador to India. He pointed out that in these 10 years, Indian national income has increased by 42 percent with food grain production up by 56 percent. In 1947 it was estimated that 100 million cases of malaria developed annually—now this debilitating disease has nearly disappeared. Life expectancy in India in 1947 was 27 years—now it is 42.

In a country that was only 10 percent literate 15 years ago, 60 percent of all Indian children under the age of 12 are now going to school. Indian industrial production is expanding by 10 percent

annually, one of the highest rates in the world.

In its first year of independence, India developed a constitution that combined the features of both the United States and British experience. Since then, India has held three national elections—each the largest exercise of the democratic privilege in the world—in which a higher percentage of the people than in the United States vote.

India has freedom of speech, freedom of religion, freedom of the press and a private enterprise sector that has been chalking up sizable gains.

Only through a free India with growing strength and confidence can we expect to see the development of a political and military balance to Communist China in Asia. What is more, a successful expanding India demonstrates to all of the doubters and the fainthearted in Asia, Africa, and Latin America that democracy is more than an impractical Western political luxury. It is a realistic political and economic system that actually works in practice and produces results. Thus, foreign assistance to the tactical or Communist border countries can be relatively easily defended.

However, aid to the strategic countries is more difficult to explain because these are the countries which are not close to Communist borders and are not in any immediate danger from outside aggression. In these countries the question of military assistance in any substantial amount should be questioned.

Why should we give economic aid to the countries of Latin America and Africa?

First, however, let us explode some of the wrong reasons for assistance to these countries.

For instance, the foreign aid program has been most widely presented in terms of simple anticommunism. Since a major U.S. objective is to stop communism, this implies that if communism did not exist, there would be little or no reason for the program itself.

For developing countries seeking aid, such a view also ironically turned communism into a valuable natural resource, such as oil or uranium.

By the logic of the argument, any developing nation devoid of a powerful Communist neighbor or a noisy Communist minority becomes per se a poor candidate for U.S. economic assistance. It has been suggested sarcastically that a developing nation which lacked a Communist minority should plant and nourish a small but vocal Communist movement—and then implore the United States to provide the funds to squelch it.

Since even Communists are sometimes blessed with a sense of humor, it is not surprising that Soviet spokesmen talking to the people of Asia and Africa have said:

The Soviet Union offers you loans and technicians to speed your development, for this you are grateful, but you should be equally grateful to Moscow for whatever aid the Americans give you. They are quite frank in saying that if they were not so frightened of us Communists, they would give you nothing.

A second fallacy in our past presentation of foreign aid is the claim that the

program will bring us military allies, win us votes in the United Nations, or gain us support against Cuba and the Red Chinese. In other words, it is assumed that the program's primary objective is to make friends and buy votes.

This argument is equally hollow and futile. It is no more possible to buy the long-term loyalty of a nation than it is to buy the enduring loyalty of a friend. To attempt to do so can lead only to frustration and antagonism.

Suppose a wealthy resident of your town should offer to build a swimming pool for your children, a new library, and an extension to your town hall—provided only that you and your neighbors agree to support his political views on public questions.

What would you do? You would invite him to take his money and to live elsewhere.

Unfortunately, in the past we Americans have inadvertently placed ourselves often in the position of the richest man in the world community, naively trying to buy friends and supporters for our views. Yet commonsense and a knowledge of human nature should tell us that foreign aid will not make us love our neighbors, make our neighbors love us, or win international popularity laurels for us—and we should not expect it to do so.

Finally, it has often been wrongly assumed that the success or failure of the aid program should be judged by purely and simply the rate of economic growth in the recipient country.

Obviously increased agricultural and industrial production is of the utmost importance. Yet the record shows that when the added production is badly distributed, it only widens the gap between rich and poor—and, in the process, inevitably erodes the political stability which we are striving to create.

There are many examples. Some of the most productive countries of Latin America, for instance, already have per capita incomes greater than several European countries. Yet because the privileged minority at the top may be getting rapidly richer while the impoverished embittered masses at the bottom of the ladder are making little or no progress, these nations can be as politically explosive as the poorest African or Asian country whose per capita income may be no greater than \$100 a year.

In view of our past failure adequately to explain the program, it is a tribute to our national commonsense that so many Americans have continued to give tacit support to foreign assistance, for basically humanitarian reasons.

This leads us back to the basic question: If the purpose of our aid program is not simply to combat communism, and if it cannot be expected to buy friends or votes, and if faster economic growth alone is no sure cure-all, what exactly is foreign aid good for? What will it do?

The answer to this question is deceptively simple to state: A wisely administered U.S. aid program can help build nations that are increasingly prepared to defend their independence against totalitarian enemies—external or internal, overt or covert—and increasingly willing

to work with us as partners on common projects which may lead the world a little closer to peace.

In other words, the purpose of our aid program is to develop independent nations able and willing to stand on their own feet—and thereby to share with us a dedication to peace and freedom.

To put the question more sharply, we have a critical choice: we can help to guide the economic and social upheaval now sweeping Asia, Africa, and Latin America into constructive, peaceful channels, or we can sit back nervously and ineffectually, while the revolution of rising expectations in Asia, Africa, and Latin America slips into the hands of reckless extremists who despise everything we stand for—and a succession of Red Chinas and Red Cubas comes into being. If we falter, another runner will surely set the pace.

Peace hath her victories no less renowned than war.

Wrote Milton, these victories gained thus far have been quiet ones scored in the last 17 years by our mutual defense and assistance programs. Let us continue to influence the winds of historical change not by ignoring them but by making them work in our favor.

Mr. FRASER. Mr. Speaker, I thank the gentleman from Pennsylvania for his very excellent and penetrating remarks about the nature of the support which the foreign aid program has commanded and some of the difficulties which have been generated through misunderstanding of the purpose of the program.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I am glad to yield to the distinguished gentleman from California.

FOREIGN AID AND THE PRINCIPLE OF SELF-HELP

Mr. BROWN of California. Mr. Speaker, I wish to add my commendation of the gentleman for bringing this very important matter to the attention of the Members of the House. I have been very deeply concerned at the drastic slashes which have been made in the foreign aid authorization bill as it progressed through the two Houses of Congress. I am extremely hopeful that in the light of some of the things that have been said here this afternoon and in the light of the urgent needs of this country to maintain its position and strengthen its position throughout the world, when the appropriation bill comes to the floor on Monday, we will have a bill which will be as close as possible to the authorization which we approved last Monday.

I would like to bring to the attention of my colleagues an extremely significant, and truly basic, principle that should underlie the decisions affecting foreign aid to underdeveloped countries. This is the principle of self-help.

The leadership of three national administrations consistently recognized that the development of independent strength in any country is essentially the responsibility of the people and the government of that country, not of the United States.

Unfortunately, the administrators of our foreign assistance program have not been as consistent when applying this

criteria in determining aid recipient eligibility. And, as a consequence, achievements have, in many instances, fallen short of the target.

But, there is a basis for hope in the future, for, as of today, the bulk of economic assistance is going to a dozen or 15 countries, countries which are making solid progress in mobilizing their own resources as their contribution to their own development. These cooperating countries are demonstrating tangibly their willingness to help themselves. They are contributing whatever resources they can, no matter how meager, of men, money, and material.

Lip service, empty promises, pious hopes, just will not do. They just lead to failures, and we have had our share of those.

I urge that the thrust of America's foreign assistance programs continue to be directed toward assisting each aid recipient country to mobilize, increase, and apply its own resources in a joint effort to achieve stability and economic growth. This would be the self-help concept in action.

Where it has been applied, it has been fruitful, and there are many notable examples of its successful application.

In the field of education, a task that truly tests the imagination, the self-help principle has had dramatic results. I would like to use Latin America for illustrative purposes.

Guatemala, where 72 percent of the people can neither read nor write, that government and AID jointly launched a pilot program to construct more than 2,200 classrooms. It was originally thought that local residents, whose children would use the schools, would account for 33 percent of the construction cost. The fact is that these local residents have accounted for almost half of the actual construction cost.

In Colombia, the larger share of U.S. assistance for education is at the primary school level. It is based on the 4-year plan of the Ministry of Education to provide a minimum of 5 years schooling for every Colombian child. This plan looks to the construction of 22,000 primary classrooms, and the training of more than 16,000 primary teachers over the 4-year span at a cost of \$98 million. While the United States is strongly committed to this plan, the bulk of financing, about \$60 million, is being carried by the Colombian Government. If the goal of an assured education for every Colombian child is attained, this will have profound future implications for lifting the entire economic and social climate of the country.

Forty villages in Panama will receive an assist in building schools through a \$255,000 grant from AID, and Panama's Ministry of Education will initially provide \$50,000 toward the cost of this project.

The problem of decent housing is acute throughout the emerging nations. AID's emphasis should be on self-help housing, technical assistance, and the development of local credit institutions that will enable the average man to finance a decent home for his family.

In self-help housing neighbor helps neighbor. The cash outlay is limited to

such items as nails and hinges, and self-help works.

In Santiago, Chile, a pioneer housing project has resulted in more than 650 livable homes built on the self-help principle. The Chilean Government paid for the land, site development, utilities, building materials and administrative costs. The United States paid for the construction equipment, and provided technical assistance. The people who were to live in their own homes did the actual building.

In Korea, 200,000 persons have been housed in more than 36,000 units over a 5-year period. Korea's initial contribution to the program was small, but, as of today, the Korean Government is handling the entire program and AID has stepped out of the picture.

For centuries the scourge of malaria has frustrated the aspirations of millions yearning to better their lot. In the Rapti Valley of Nepal, only 5 years ago, a malaria incidence of 100 percent held the population down to about 5,000 impoverished tribesmen. Today through the combined efforts of the Nepalese and United States Governments, there are 50,000 productive farmers and tribesmen living there, participating in a dramatic economic and social development effort. The malaria incidence is now four-tenths of 1 percent.

In Taiwan, U.S. foreign assistance has contributed to the virtual elimination of malaria.

In India, where malaria accounted for more than 10 percent of all illnesses in 1953, the percentage today is six-tenths of 1 percent.

The successful application of the self-help principle is also demonstrated in Ecuador where there are 3,000 private citizens, ranging from farmers to teachers, who have volunteered their services to assist in malaria eradication. They take blood samples, even administer drugs, help spray 450,000 dwellings every 6 months. They work without pay, but they take much pride in the local prestige they acquire. Many of them display their simple instruction materials, supplied through the Alliance for Progress on the walls for all to see, as professionals display their university diplomas.

And, in the field of agriculture, in the rural areas where most of the people live, self-help projects can have, and in many instances have had, a profound impact on the people right in their own villages.

For example, today, Costa Rica is self-sufficient in rice, corn, and beans, in meat and livestock products, and in fruit and vegetables. This increase has been accomplished in the face of a population increase of about four percent a year.

U.S. assistance, on a self-help basis, contributed to the establishment of an agricultural extension service, and the development of agricultural research, improved food marketing, storage, and processing techniques.

In Brazil, the combined research efforts of Brazilian and U.S. technicians have set the stage for the development of 400 million acres of submarginal land in central Brazil.

These are the kinds of projects that work and, I submit, that self-help provides the impetus.

Our foreign aid program should deliberately challenge the aid recipient to do his part, provide his own resources, to contribute towards his own development.

The self-help aspects of our foreign aid programs have given meaning, as we can see from just a few examples, to the concept that a nation can progress toward its development goal when its own people see the need, have the will to overcome awesome obstacles, and contribute to their own economic and social betterment.

This is not theory, it is fact, proven by the many successes achieved when the principle has been applied.

I would urge that self-help programs be more widely used in the future.

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. FRASER. Mr. Speaker, I thank the gentleman from California for his statement.

Mr. STAEBLER. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I am glad to yield to the gentleman from Michigan.

Mr. STAEBLER. Mr. Speaker, I want to congratulate the gentleman from Minnesota for taking the time to bring to the attention of the House many points of deep concern to the country in connection with the foreign aid appropriation.

Mr. Speaker, next Monday, when the foreign aid appropriation will be on the agenda of the House, and on the days intervening, when the subject is under consideration in committee, we will be reaching a decision of tremendous importance to the future of this country. It will be important for several reasons.

In the first place, foreign aid is a vital part of American foreign policy. In many ways it is as important as our defense program on which we spend 12 times as much money. Our military budget provides an all-important deterrent but this is essentially a passive part of our international policy. Foreign aid is necessary as the active part of our policy. It is foreign aid that provides the President with the opportunity for taking initiative in foreign affairs.

Second, our decision on foreign aid will be a test of our judgment on the long-term importance of aid as an element of policy. This year, the authorization bill for foreign aid has received unprecedented attention and unprecedented criticism. Much of it arises from the dissatisfaction with foreign aid over policies and programs long since changed and long since corrected. Much of it arises out of the impatience of many of our constituents with the burden of foreign aid. But after protracted consideration in the appropriate committees and in both Houses of Congress, we did reach a decision. If in the course of the appropriation procedure in the two Houses that decision is subjected to revision not related to the needs of foreign policy, we will do a great disservice to this country. We will be weakening the President at a moment when his capacities for world leadership are under the closest scrutiny and the severest pressure.

It is important also to call attention to an important change that has taken place in our international relations since the foreign aid authorization bill was under consideration in this House. At that time, the country was greatly troubled by the adverse balance of payments which had reached an annual rate of \$4 to \$5 billion during the first and second quarters of this year. Since the end of the debate on the foreign aid authorization, the record for the third quarter of this year is now available. It is apparent that we have made a drastic improvement in our exchange balances. The adverse balance during the third quarter was at a rate of \$1 billion per year. Moreover, some of the measures undertaken by the administration in the earlier part of the year have begun to take effect in holding down the gold loss. For several months we have had no loss in our gold reserve.

Most of the credit for the favorable developments in our foreign balances are attributable to areas outside of the foreign aid program. Our favorable trade balances have increased. The administration's proposal for a dampening of foreign security flotations has resulted in a considerable reduction in the outflow of capital. But a part of the improvement can properly be credited to the foreign aid program.

An example of such a change is the buy American provision regarding loans and grants. In the present fiscal year, about 85 percent of all aid funds will never leave this country. They will be spent right here in the United States for U.S. goods and services. This 85 percent figure marks a significant tightening of the program. Only two years ago, in fiscal 1962, half of all the foreign assistance funds were spent outside the United States.

Aid is becoming increasingly selective. Rather than spreading our efforts thinly around the globe, we are aiming them where they will do the most good. It is true that there are aid programs in 79 countries today, but many of these countries receive only a token amount. Much more to the point is the fact that five countries account for more than or strategic countries and sometimes both. Few would quibble with our need to be associated with their development. They are, with the total amount of aid obligations for fiscal 1963 given in millions of dollars: India \$402.3; Pakistan \$185.0; Vietnam \$143.7; Turkey \$131.1; and Korea \$126.2—adding up to \$988.3 million. This represents a shade over 40 percent of the \$2,396 million total aid programming for the period.

Strengthening this effort toward selectivity, AID is now directing two-thirds of all development funds to only 14 nations. Most of these are in the Near East-South Asia regional grouping, and this too marks a switch in emphasis. In 1950, Europe received three-quarters of all AID moneys. This figure dropped to only 10 percent by 1960 and was cut again to 5 percent in 1962. Today AID is committing no more economic assistance funds to Europe. The Near East and south Asia, which received 5 percent of foreign aid funds in 1950, received 41 percent in 1962.

AID is in process of phasing itself out wherever possible. It is useful to look at some areas of the world where this function has already been accomplished. Fifteen countries that have successfully made use of U.S. assistance and are no longer on the rolls are: Austria, Belgium, Denmark, France, Germany, Iceland, Ireland, Italy, Japan, Lebanon, Luxembourg, the Netherlands, Norway, Spain, and the United Kingdom.

Others are on their way to phasing out. Let me give you an illustration. The Republic of China on Taiwan which 10 years ago was a backward area, has moved forward with great economic vigor. The total gross national product has been climbing at an average annual rate of 7 percent ever since 1951. Exports are rising by about 12 percent a year. The country is more and more able to manage its own economic affairs, and as a measure of this ability, AID last June authorized a \$21.5 million loan on terms approaching those of conventional international lending institutions. The interest rate—normally three-quarters of 1 percent for development loans—was set at 3½ percent. The amortization period—which before had been 40 years—was set at 20 years.

Other countries to follow in the footsteps of China are Greece, no longer receiving any grant aid, Portugal, now able to obtain credit from the Export-Import Bank, Yugoslavia, where the AID mission is being closed down, Israel, Jamaica, Mexico, and Venezuela, and there will be many more to come.

As the program progresses and as the countries around the world become increasingly able to manage their own economic affairs, AID is stepping up its emphasis on private enterprise. AID has put into motion a special effort to improve the climate for private investment in the developing countries and to increase the amount of investment made by both United States and local firms in these countries.

The U.S. aid program is moving forward with purpose, strategy, and success. This is no time to hinder its forward drive. The foreign aid program is in better shape today than it has been in years. It is paying off in results.

Mr. Speaker, I thank the gentleman for yielding.

(Mr. STAEBLER asked and was given permission to extend his remarks.)

(Mr. MATSUNAGA (at the request of Mr. STAEBLER) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MATSUNAGA. Mr. Speaker, I wish to commend the gentleman from Minnesota [Mr. FRASER] for calling to the attention of this body the urgent necessity for appropriating the fully authorized amount for our foreign aid program. I wish to join the gentleman in his plea for an effective foreign assistance program by providing the authorized amount in full.

Mr. Speaker, this Nation may be said to have come of age on December 7, 1941. Since then it has accepted the responsibilities of a great nation in world affairs. Before that time it had sought

to evade responsibility, to avoid involvement in events that seemed far away, beyond the seas.

All of us lived through that period of immaturity and lack of responsibility. We came to see its consequences as all of Europe came under oppression. Then swiftly and dramatically, the events we had sought to ignore came to make themselves felt upon the lives of each of us. We learned and came to accept the fact that we are, indeed, involved in the affairs of mankind.

In dealing with foreign aid legislation in recent years, however, there has begun to be a faltering in that acceptance of responsibility. One can detect a wavering in the resolution that has marked our conduct of foreign affairs during the past two decades.

The question is raised whether this irresolution and growing reluctance to carry the burden of world affairs means we yearn to lapse back into that immaturity that brought such consequences to the world before. The events may be less dramatic than those of the late thirties and early forties. But they are of a historical magnitude, even greater.

A third of the world is in political ferment. The withdrawal of the great empires, the awakening of long-dormant peoples, and their aspirations for betterment, are all bringing rapid change and upheaval that can be seen in specific instances.

Fledgling democracies cannot survive the resistance of entrenched interest groups to the reforms necessary for progress and improvement in the conditions of life.

Communist and Castro-inspired terrorists attempt to bring down those very governments which aim at progress; for progress, democratically achieved, would thwart the Communist aim of total takeover.

New nations, ineffectively ruled, turn to foreign adventure to distract their people from the inadequacies of their developmental efforts.

Nations more directly threatened by Communist takeover, in whom we have made a heavy commitment of resources and our own young men, disappoint us by the repressive nature of their regimes.

Other recipients of our assistance prove incompetent to stem their rampant inflation, or are unable to carry through effective developmental programs, or conduct their external affairs in a way that offends us.

There are successes, but the news focuses on failures, shortcomings, corruption, and difficulties. With this concentration on the troubles of the developing third of the world, a tendency has arisen to turn away from such a burdensome involvement.

Should we ever have thought this task would be easy? Never before in history has there been such an enormous undertaking. A third of the world's population is seeking to raise itself out of the poverty and squalor that has historically been its lot. The new awareness of a possibility of a better life results in impatience. Peoples of the developing countries want to have now the good things it has taken us centuries to

achieve. This impatience demands that the long, slow process of development—which took centuries in Western Europe and North America—be telescoped into decades.

Yet it must be remembered that the developmental process is a new one. Never before have entire nations set out consciously to change over their societies, accelerate their economic growth, and build into modern countries that which have been, in many cases, very primitive societies.

We have been at this business only a few short years. It has been a period of learning. Little was known about the process of developing a backward country into a modern, industrial nation. Some people thought they had the answers in the oversimplifications of ideologies. The vast experiment of the Chinese Communists has now shown the disastrous consequences of that approach.

Our own beginnings in assistance were, I am afraid, dominated too much by the economic determinists. They thought that the drawing up of a good country plan was all that was needed to set a nation on the right developmental path. Only in the last few years has there come a growing awareness of the need to energize people, to change their traditional ways, to motivate them toward self-help, to build the societal and political institutions needed if a society is to sustain any economic growth.

Let me repeat, little was known about this process of development. This past decade has been a process of trial-and-error. Mistakes have been made. Gigantic failures can be pointed to. No one can say today that he knows exactly how to bring about the transformation of a society from traditional into modern ways. It is not at all certain that the task of improving conditions of life of more than a billion people can be brought about in any rational, orderly way.

We need a new realism about this task. Very probably some countries will succeed while others will continue to backslide into economic morass and political chaos. It would be easy to continue ignoring the quiet successes while loudly condemning and becoming increasingly fed up with the failures. Editorialists will have ample occasion for pointing the finger of abuse at the shortcomings of assistance. Critics of foreign aid can continue to find reasons for demanding its termination. Every other year we can call for a complete reorganization of the administering agency and its aid programs—a process that has been likened to tearing up a plant to look at its roots in order to see how it is growing.

The question is, Will this Nation, its people, and we, their elected representatives, continue to face up to the challenge that confronts us in the world? Will we continue to accept the responsibility of world leadership? Will we conduct ourselves like statesmen and remain aware of the consequences of our acts upon ourselves and our posterity? Or will we seek to turn away and to retreat into a new isolationism, to ignore the great political upheaval going on throughout the southern half of the

world and not do what we can to assert our leadership?

This is not the time for us to grow weary. That period of learning we have been going through now permits us to aid the new nations in their development better than before. They, in turn, are reaching a stage of development when the rapidity of their change could cause them to go one way or the other. Complex as the task of development is, unknown as are many of its mysteries, we are now beginning to understand the social and political problems so that we will increasingly be able to assist national leaders in guiding their nations in a more democratic direction. We do not yet have all the answers. The means and instrumentalities we have to work with are, in turn, comparatively primitive compared to what is needed. Much needs to be learned and we must acquire even better methods of assisting nations along the developmental path we would like to see them go.

But we are learning. We have acquired considerable know-how in the few short years we have been in this developmental business. Yet we find the mood in considering foreign aid legislation turning increasingly negativistic. Instead of considering it in terms of the great political changes that are taking place in the world and what we must do if we are to lead them, it is approached more and more in the spirit of niggardly bookkeeping.

Let us not forget that what we do here is watched throughout the world to see whether the United States is going to continue to accept its role of leadership. Viewed from here, foreign assistance may appear to be just one of the things we are doing, in addition to getting a man on the moon, maintaining our own military defense and the one hundred and one other things that tax our energies and occupy our attention. But let us not forget that to the people in that crucial one-third of the world, to the people in those countries undergoing rapid political and economic change, foreign assistance is not just one of the things that we do. It is the thing that we do. For them, how much we assist them in their development is the most important thing.

Some of us may tire of this fact, or we may lose sight of it and turn our attention inward to our own local concerns. But we do so only with great danger to ourselves and to the future security of the free world. For if we revert to an isolationist view, if we regard foreign assistance as something extra we do only with reluctance and annoyance, we will lose what influence we have with those peoples in political ferment. If we falter, they will lose confidence in our leadership. If we seem unconcerned with the great task of development they have undertaken they will turn elsewhere. If they do not get the assistance they need, they will fall short of their goals and political chaos will result.

I have said that we have in recent years become increasingly negativistic. We continue to ask: Why do not our allies provide more assistance? When can we end assistance to this country or

that country? Why must we be aiding every country throughout the world? These are fair questions, but they reveal an attitude that could lead to fatal consequences.

Our foreign policy in relation to the one area of the world in which great political decisions are working themselves out is founded on foreign assistance. It is one of the few instruments we have to influence events throughout that vast area. The many billions we spend for our own military defense may prove illusory some years from now if we scrimp and curtail and give only begrudgingly the few billions that are needed now to sustain economic development in those countries struggling to free themselves from poverty.

There is no guarantee that if we do everything that is needed that the developing countries will surely take the course we desire. There is a certainty, however, that if we fail them and the discontent of their people mounts, the course they then take will surely be detrimental to the course of freedom in the world.

We must not lose sight of the larger significance of our foreign assistance program. The tendency toward niggardliness must not be permitted to overwhelm our discussions of what is really at stake.

The foreign aid program has a greater historical dimension than perhaps any piece of legislation we consider here. Of late, its breadth and scope is tending to become bogged down in pettiness. Instead of being grateful for the opportunity to play the role of statesmen that momentous times demand of us, we tend to let our perspective be foreshortened by political pressures, till we see only the dollar signs and not the human lives involved in what we do here.

For, make no mistake about it, while I have emphasized the political consequences of failing to persevere in helping others help themselves, this is a moral matter as well. Now that we have learned so much, both from our own experience and from the recent years of experiment in foreign aid, can we lessen our efforts to pass on that knowledge to others?

Let me give just one example. This spring 100,000 to 200,000 babies and children, aged 7 months to 3 years, did not die in a measles epidemic who ordinarily would have died. The mass vaccination campaign conducted in the Republic of Upper Volta—at a cost of only 55,000 U.S. aid dollars—saved at least that many infants' lives. Now our aid program has just helped train health workers who are at this moment on their way back to extend the measles vaccination program to their own West African countries.

Our newspapers have kept us well informed of the occasional failures of the aid program, but we hear very little of such great accomplishments as this, achieved with such a small expenditure of money. It could be told a hundred-fold.

This is a moral nation, and the American people would be proud to know of the many fine accomplishments of their

aid program. A recent opinion poll indicated that more than half of those queried support foreign assistance. The eager response and support to such programs as the Peace Corps, Project Hope, Medico, and other activities overseas, show that the American people willingly accept their own responsibility to assist the needy peoples of the world. This is in line with America's noblest and proudest traditions.

It is not without significance that three Presidents, of both parties, have sponsored and insisted upon the need for foreign assistance legislation. They not only understood the importance of aid in the conduct of our foreign policy; they also represented all the people, and we now know they were right in believing a majority of Americans want to persevere in helping others in their developmental effort.

I do not fear that this Nation as a whole is in any danger of turning back to that isolationism that had such disastrous consequences leading up to December 7, 1941. The slow attrition of a kind of neoisolationism, eating away at our foreign assistance effort, could have equally disastrous consequences unless we pause, take another look, and view this trend against the perspective of what is at stake in the world.

Neither politically nor morally can we allow reluctance to overcome us. We must not falter in this great work. Let us keep our attention turned outward, upon the great historical changes taking place in the world, and let us willingly continue our leadership. Nothing less is worthy of our great Nation.

Mr. FRASER. Mr. Speaker, the distinguished gentleman from Michigan [Mr. STAEBLER] deserves commendation not only for the statements which he has just made, but for the outstanding work which he has carried on in behalf of a strong program of foreign assistance or of assistance to the underdeveloped nations of the world.

Mr. Speaker, although the gentleman is not a member of the Committee on Foreign Affairs of the House of Representatives, he has taken upon himself the responsibility, which is borne by every Member of this House, to help educate the public about this program. He has counseled with and urged stronger support from the Members of this House.

I think, Mr. Speaker, that his concern springs from a profound understanding of the responsibility of the United States in preserving freedom and in his understanding of the steps which this Nation must take in order to discharge that responsibility.

Mr. Speaker, I thank the gentleman again for his outstanding remarks.

Mr. CAMERON. Mr. Speaker, during this session of Congress we have seen unprecedented action in the history of foreign aid cuts. The axes have been unsheathed and the program has lost not only the fat, but lots of the meat. President Kennedy's revised request of \$4.5 billion—down \$400 million from his original request—has been slashed and reslashed until today the foreign aid authorization figure hovers at the \$3.6 billion figure. This cut—20 percent—is

twice as large as any previous cut in foreign assistance authorization.

I submit that it would be extremely dangerous to the security of the United States and to the security of the entire free world if additional cuts are sanctioned in the appropriation procedure. Cuts have already been made. Some of them were well-advised. The foreign aid program has been tightened up. It has been improved. Further cuts, in my judgment, do not mean further improvement. Further cuts can mean only partial paralysis in a vital arm of national security and international progress.

Mr. Speaker, there is one area of the Foreign Aid Program that is receiving particular attention this year—the number of aid recipients, the amounts of assistance they receive, and whether our aid program in individual countries ever end. The charge usually runs something like this: “The United States is aiding every country in the world—friendly and unfriendly, developed and underdeveloped. And once an aid program is started in a country it just gets bigger and bigger and never ends.” I think it is important for Members of the House to analyze this charge, since I believe close examination will reveal that the charge is a distortion of the facts.

There are three points which I would like to call to your attention:

First, the thrust of the foreign aid program is highly concentrated in a relatively small number of key countries.

Second, military assistance has been reduced and economic assistance eliminated to the developed countries of the world—many of which, incidentally, are now economically developed as a result of previous U.S. assistance.

Third, our limited foreign assistance programs in many of the newly independent countries of the world often constitute the best bargain of our foreign assistance program.

Let us look at each of these points a little more carefully.

First, our aid program is now highly concentrated. In fiscal year 1964, it is estimated that 20 countries will receive 80 percent of total economic assistance and 10 countries will receive 80 percent of total military assistance. If we examine the appropriations categories, assistance is even more concentrated. Six countries will receive 80 percent of Development Loan funds, six countries of Latin America will receive 80 percent of Alliance for Progress loans, and seven key countries will receive 80 percent of supporting assistance.

This concentration of assistance enables the United States to have a significant impact on the development and security of key and strategic countries throughout the world. Even in these countries where assistance is concentrated, the United States is not attempting to do the whole job of generating economic development or providing security. This job can only be done by the recipient countries themselves. One condition upon which our substantial country programs are based is that the country be willing and able to undertake as

much of the job as possible and to insure that through self-help and reform they do an increasing part of the job. What the aid program is attempting in these countries where assistance is concentrated is to provide the critical difference in external resources between progress toward self-sustaining growth and economic stagnation and between successful establishment of internal and external security and vulnerability to Communist aggression and subversion.

Second, military assistance to developed countries has been sharply reduced and economic assistance eliminated. Twenty-three countries of the free world other than the United States are considered to be economically developed nations. Six of these countries have never received U.S. economic or military grant assistance under the foreign assistance act or predecessors. Seventeen more countries are no longer receiving economic assistance under this act. These countries include France, Germany, Italy, the Netherlands, Portugal, and the United Kingdom, among others. In fiscal year 1964, no developed countries are scheduled to receive economic assistance. A successful major effort has also been made to end military assistance to countries which are becoming sufficiently prosperous and developed. In 1953, over 75 percent of the military assistance program went to the advanced countries of Europe and Japan. In fiscal year 1964, it is estimated that only about 25 percent of our aid will go to these countries. Despite this substantial reduction, further programs will be carried out in eight developed countries in fiscal year 1964. These programs encompass completion of deliveries under previous commitments to six countries, and military training programs in these countries and two others. Successful sales programs in Europe of U.S. military equipment, some generated by incentive cost-sharing arrangements, are now making a substantial contribution toward our balance of payments.

Third, the many small programs of assistance which we mount in small and newly independent countries provide substantial returns to the long-term success of U.S. foreign policy. When we talk about the large number of countries receiving foreign assistance, we are really talking about the 45 countries which will receive only 10 percent of our economic assistance and 7 percent of our military assistance during fiscal year 1964. Limited aid programs in these countries are strongly in our national interest and are effective.

In about 21 countries, the program is almost solely technical assistance or limited capital loans. Almost all of these are in Africa. These limited technical assistance programs provide assistance in key problem areas and demonstrate U.S. interest in the progress of the people in these countries. In many cases, our limited assistance efforts make it politically feasible for European donors to provide substantially larger amounts of assistance. Most of these countries are newly independent and are just beginning to grapple with the basic prob-

lems of economic and social development.

The choices that these countries make now about how they will develop, the decisions they make about whether they will face East or West, will determine in large part the makeup of the world community in 25 or 30 years. If these countries squarely face the problems of development and take sound steps to meet them, there can be progress and peace. If instead they turn to the quick solutions offered by the Communists or engage in ultra-nationalistic adventurism, there will be constant strife and crisis.

We have learned in the last 10 years that strife in any part of the world can generate crisis between the free world and the Communist bloc. Our limited assistance programs in these countries attempt to help these nations choose the path of sound growth and development. To cut off these programs now would remove the most effective influence the United States has on the paths that these countries will take.

And one final point. There are many examples of failures in our foreign aid program. Some are old, some are new; some are false, others are true. But there is no doubt that the successes far outweigh the failures. The successes do not make headlines. But they are quietly helping to build a better and more prosperous world. The dividends on the large investment we have made abroad in our foreign aid program are only slowly beginning to come in. But they will increase steadily as the years go by, as more and more nations become self-supporting.

Mr. EDWARDS. Mr. Speaker, I would like to address my remarks to the argument which has been made by opponents of the foreign aid program, that a reduction of our aid program will substantially affect our balance-of-payments problem. Indeed, in this morning's mail I received a duplicated letter which I am sure went to all Members, raising this issue again, and intimating that our late President believed that foreign aid curtailments would effectively reduce our balance-of-payments deficit. We all know this is patently not true, and we know that President Kennedy believed wholeheartedly in a vigorous follow-through on a program that has overwhelmingly demonstrated its rewards not only to this country but to the whole free world.

Now what are the facts on this balance-of-payments phony argument? In 1962 our total foreign credits were \$5.3 billion and our total debits were \$7.6 billion leaving a deficit on balance of payments of \$2.3 billion. Of the \$7.6 billion, the net debits of the important categories were as follows:

[In billions]			
Tourist spending (net)	-----	—	\$2.0
Military expenditures abroad	-----	—	2.0
Long-term private investment	-----		
abroad	-----	—	2.0
Short-term private investment	-----		
abroad	-----	—	.5
Total aid outflow	-----	—	1.1

The last figure, “Total aid outflow,” is arrived at by subtracting the amount of

foreign aid money which is spent in the United States from the total expended.

It is quite obvious that tourist spending, and private investment abroad contribute more to our balance-of-payments problem than either our military expenditures or our foreign aid program.

It is important to realize that in 1962 approximately 65 cents of every dollar spent for foreign assistance was paid to U.S. businesses for U.S. goods and services sent to aid recipient nations abroad. This 65 percent never left the United States and had no adverse effect on the U.S. balance of payments.

The only foreign aid expenditures which contribute to the balance-of-payments deficit are those which are made outside of the United States.

For 1963 it is estimated that over 70 percent of the foreign assistance budget will be spent in the United States. For 1964, about 80 percent will be spent in the United States. This means that every \$1 million cut from the foreign assistance budget will result in an \$800,000 reduction in aid purchases from U.S. businesses, and only a \$200,000 reduction in the balance-of-payments deficit.

Therefore, cuts in the U.S. foreign assistance budget for 1964 intended to reduce the balance-of-payments deficit will be only about 20 percent effective in achieving that goal.

To cut the foreign assistance budget is neither the most efficient nor the most effective way to decrease the foreign aid contribution to the balance-of-payments deficit.

The most effective way to decrease the foreign aid contribution to the balance-of-payments deficit is to insure that less of the foreign assistance moneys are spent outside the United States. Every dollar reduction in foreign aid expenditures outside the United States is 100-percent effective in reducing the deficit.

It was estimated that in 1964 under the original request for over \$4.5 billion in aid only \$685 million would be spent abroad under the foreign assistance program. Whatever is spent will be spent in underdeveloped nations, strengthening their economies and enabling them to increase their trade with the United States.

In fact, it is estimated that, of the diminishing amount of U.S. foreign aid money spent abroad, about 40 percent eventually returns to the United States in payment for U.S. commercial exports.

In the long run the entire foreign aid program stimulates increased U.S. exports—and increased U.S. commercial exports reduce the balance-of-payments deficit. Foreign aid money spent in the United States acquaints foreign nations with U.S. goods and services and ties foreign consumers to U.S. markets for future purchases of parts and replacements. Foreign aid money spent abroad, a steadily decreasing portion of the total foreign aid budget, stimulates developing economies and prosperous nations buy more from the United States than poor ones. Japan, now our second best customer, is a good example of the direct returns in trade produced by foreign aid.

Foreign aid, then, also represents an investment which will increase U.S. com-

mercial exports and further reduce the U.S. balance-of-payments deficit.

Mr. KASTENMEIER. Mr. Speaker, I appreciate the courtesy of my colleague, the gentleman from Minnesota [Mr. FRASER], in yielding to me and compliment him for being one of those taking the initiative in discussing our foreign aid program today.

Mr. Speaker, one of the continuing problems in the foreign aid program is the organization and management of the large-scale and farflung operations of the program. A most encouraging development in recent months has been the changes and improvements in the organization and administration of the foreign aid agency, especially under the leadership of David Bell.

Some of the changes and improvements which have been made are important enough to warrant our consideration at this time.

Our foreign aid agency is charged with administering activities in 80 different countries whose cultures, economics, and political conditions vary from the most primitive to the most sophisticated, and whose importance to the achievement of U.S. foreign policy objectives varies from the peripheral to the absolutely critical. These programs diverge in content from the relatively simple, such as the provision of technical assistance in establishing small pottery factories, to the highly complex blending into well-conceived and carefully balanced country programs—of such diverse ingredients as food-for-peace assistance, budgetary support, technical cooperation, military aid, the engineering and financing of major capital projects, and the stimulation of local political climates conducive to investment by U.S. private enterprise.

It is not surprising, given this plethora of means and ends, that mistakes have been made in the past. In any comparably bold and broad-scope enterprise which is new, occasional mistakes are an inevitable part of the learning process.

My point today, Mr. Speaker, is that foreign aid is beginning to bear fruit in the less-developed countries, and that the foreign aid program is more soundly conceived and better managed than ever before. Let me elaborate.

The reorganization of foreign aid since 1961 has gone through three phases. The first phase involved the absorption of the Development Loan Fund, military assistance and the economic assistance functions of ICA into one semi-autonomous agency within the State Department known as AID—the Agency for International Development; the hiring and firing of several hundred people; and the development of a new organizational structure in which strong regional bureaus were given primary line responsibility for integrated country planning as well as program implementation. That phase of the reorganization was completed more than a year ago.

The second phase of the reorganization, which was completed in 1962, consisted essentially of a redesigning of the country programming process, a weeding out of marginal projects, and a reexamination of substantive policies. Such new policies as the "self-help" doctrine,

the stress on long-term planning by aid recipients, and the emphasis upon concentration of AID's efforts in each country into a smaller number of pivotal economic sectors were evolved during this phase.

The third phase of the Agency's reorganization was started last January and has been completed during the past month. This phase, known within AID as the implementation project, has consisted of a top-to-bottom overhaul of AID's methods of doing business. The project has been a final and necessary step in the creation of AID as a workable, unified, going concern.

Before the implementation project, AID was the inheritor of two sets of policies and procedures—that of the Development Loan Fund and that of the International Cooperation Administration. The two were in many instances inconsistent or contradictory. Large gaps existed where there were no directives at all, such as loan-financed commodity procurement. Other areas existed where old directives were still in force but were in conflict with new substantive doctrines. Still other areas existed where the old directives were substantively adequate but were organizationally obsolete and, by their terms, distributed functions and responsibilities among offices which no longer existed. The net result was confusion, inefficiency, a poor utilization of the Agency's top management resources, low morale, and the reduced overall effectiveness that these weaknesses would make inevitable.

The implementation project sought to simplify, rationalize, create where necessary, and codify the major operating policies and procedures that would govern AID in the future. It did so principally through the efforts of three task forces working in the fields, respectively, of capital, program, and technical assistance. Each of the three task forces wrote a consolidated compact up-to-date book of policy directives, procedures, and substantive guidance; designed mechanisms for the improvement of executive control and the elimination of unnecessary clearances; and framed program selection and implementation policies that would accurately reflect new AID objectives. All three groups devised methods of speeding up and simplifying operations.

Two other major task forces were created to consider problems of procurement and reports coordination. The first group initiated creation of a permanent procurement policy staff and then forwarded a series of policy and procedural recommendations to the new staff. The second directed the taking of an inventory of existing reports and recommended creation of a Reports Coordination Committee, which has since been created, to devise and monitor reporting policies in the future.

So much for the broad outline of the new push for efficiency in AID. Let me now get down to the specifics of Mr. Bell's management accomplishments.

Except for procurement and reporting, both of which are involved in nearly every phase of AID activity, major foreign assistance has been divided into three

distinct categories—program assistance, technical assistance, and capital assistance. Capital assistance consists of dollar financing made available for the construction, equipping, or alteration of physical facilities such as roads, dams, factories, telecommunications networks, and the like. AID's definition of capital assistance also encompasses studies to determine the feasibility of such projects and includes dollar assistance provided to local development banks and intermediate credit institutions.

The new procedures that have been developed for capital assistance apply equally whether it is loan- or grant-financed. Under the procedures, AID has given increased authority to approve capital activities to the four regional assistant administrators. Mr. Bell's personal approval is required only for large or particularly sensitive projects.

The manual orders also provide a framework for giving increased responsibility to missions for the planning and implementation of capital activities. They permit the day-to-day field monitoring of ongoing projects to proceed with less Washington interference than previously.

For the first time, a system of preliminary reviews has been developed to assure that AID staff time is not expended in detailed consideration of proposals which might be financed by other agencies or which do not fall within overall U.S. strategy goals. After the preliminary reviews—if their conclusions have been favorable—an intensive review is made by a specially selected team of experts—the Capital Assistance Committee—which explores all aspects of the project and records its findings and recommendations in a Capital Assistance Paper.

This paper, upon approval, becomes the agency's plan of action for negotiating the capital assistance agreement and subsequently implementing the project. Part of the paper, a so-called implementation plan, evaluates the applicant's technical and administrative capacities to carry out the project, sets forth the various monitoring actions that will have to be taken by AID, and states who will have to take them. This should permit more orderly capital project administration.

The new implementation project manual orders also contain substantive guidance to individuals involved in the capital assistance review process and list criteria to govern many of the decisions that have to be made. In addition, they contain illustrative capital assistance agreements and letters of implementation setting forth such technical matters as reporting and accounting requirements and applicable shipping, pricing, and insurance regulations.

Existence of these illustrative provisions is certain to simplify and accelerate the complicated process of drafting agreements, and it will tend to keep to a minimum unnecessary variances in AID's position from one negotiation to the next.

Policies have also been established to govern the review of borrowers and grantees engineering and construction

contracts involved in capital assistance. Although the Agency's right to approve or disapprove such contracts constitutes its major safeguards against poor administration by borrowers and grantees, AID had never before developed standards and criteria to govern that review.

The process of reviewing and approving technical assistance projects has also been improved. Selected projects may now be approved, subject to continued availability of funds, on a life-of-the-project rather than an annual basis. This change should permit better advance planning.

Moreover, substantive project approvals have been separated from final funding approvals. This change is particularly significant, for under the previous system missions were reluctant to proceed with the detailed planning of technical assistance activities until they had received firm allotments for them. In the past several years, it has been October before AID appropriations legislation cleared Congress. A month has then been required for deciding where to absorb the cuts required, and this has delayed firm technical assistance programming decisions until December or January. This has left only a 6-month period of the obligation of available funds.

In the future, projects will be approved within AID in advance of the granting of permission to obligate. The AID missions will be expected to make all pre-obligations plans and arrangements earlier, and, therefore, to achieve a more orderly administration of technical assistance.

The requirements for careful advance planning of technical assistance projects have been tightened through the implementation project, while checklists, guidelines, and criteria have been prepared to improve the quality of such planning. Before any technical assistance activity is approved for obligation, the AID Mission Director, under the new rules, must be satisfied that an adequate workplan exists. In this plan, which is analogous to the implementation plan for capital assistance, successive activity targets are established against which progress can later be measured. Also, the various possible methods of achieving project objectives are weighed against each other and choices are made as to how to proceed.

Mr. Speaker, in the long run, possibly the most significant innovation of the implementation project's technical assistance working group is the requirement for a new "Technical Assistance Project History and Analysis Report." This triennial report from the field will fall due on the third anniversary of each project's inception or at the termination of the project if it is of less than 3 year's duration. The report will contain a searching analysis of all aspects of the project since its inception. In the report, the results achieved through the project will be measured against the purposes for which the project was established and the targets of accomplishments that were set for it. Causes of difficulty and the success or failure of the various efforts to overcome them will be treated in detail, as

will the effects on the project of host-country attitudes, political considerations, and other relevant factors, whether or not foreseen.

These activity reports hold promise for a steady improvement in the administration of technical assistance. But more important, they promise to become an invaluable research tool. If properly used by AID, the triennial reports could be a primary means of improving the state of the art of transferring technical skills from one country to another.

AID defines "program assistance" as the provision of resources, whether commodities, cash, or local currency, for the purpose of producing a fiscal rather than a physical result. In program assistance, AID's primary concern is the impact achieved by the totality of the resources provided rather than the specific use to which they are put.

A new process for approving levels of program assistance has been devised and put into practice through the implementation project. Provision now is made in AID for concurrent consideration, country by country, of all available forms of program assistance in the light of economic and political analyses contained in the agency's country assistance plans and long range assistance strategies.

To assist AID's economists and program officers in preparing the types of analysis that the effective use of program assistance requires, criteria have been developed to govern selection among the various forms of assistance, and guidelines have been prepared for the making of balance of payments and internal financial analyses. Both the guidelines and criteria are new.

Also new is a mechanism—the Program Assistance Approval Document—for obtaining final approval for the immediate obligation of resources for program assistance. Although planning levels of program assistance are determined during overall country analyses, the exact timing, form of, and procedures for providing such assistance is not settled until the PAAD stage. Again for the first time, clear criteria have been developed to indicate which program assistance proposals require Mr. Bell's personal approval and which do not.

Commodities purchased with foreign exchange provided through U.S. program assistance are subject to numerous requirements imposed by AID. Because it is not practical for AID to deal directly with every foreign importer who spends U.S.-supplied currency the agency imposes various legal requirements on the countries themselves and on U.S. suppliers. These requirements relate to such subjects as ocean shipping on U.S.-flag vessels, pricing, the permissible sources from which commodities may be procured, marking and labeling to indicate U.S. financing, and the provision of notification by the purchaser to American small businesses. These requirements are not new, but the procedures for enforcing them are.

After the merger of ICA and DLF, no usable procedures existed to govern loan-financed program assistance. Those procedures which did govern grant-

financed program assistance were difficult to apply in situations where the supplier's certificate could not be used. These shortcomings, bothersome enough normally, were increased by the United States own balance of payments difficulties.

The problems have now been alleviated. The Implementation Project devised a system of three alternative commodity financing procedures which will permit AID to provide appropriately restricted program assistance to countries with varying degrees of administrative, import, and foreign exchange controls. The system will govern all commodity financing in the future.

Another field in which AID has made major improvements during the past year is the vital field of procurement.

Because AID is not staffed to perform all the functions which it is capable of financing, procurement of the skills and resources of American businesses, universities, and other private institutions for use in the program is a major and important activity. Equally important though less easy to control, is the monitoring by AID of vast amounts of U.S. financed procurement by foreign importers or by borrowers and grantees. Through the Implementation Project, a running start was given to the new Procurement Policy Staff in its efforts to rationalize, streamline, and codify AID's procurement policies and procedures.

As in other fields, previously significant operative distinctions based on the method of financing the procurement—whether loan or grant—were eliminated. Also, many obsolete distinctions between rules applicable to the procurement of commodities and those applicable to the procurement of services were eliminated. As now constructed, AID's procurement rules are simpler and more effective than before. They reflect distinctions based upon the identity of the procuring entity—whether AID itself, a borrower, another Government agency, or a foreign importer—and thereby also reflect the different types and degrees of control that AID is able to exert over the contracting process in each situation.

AID has revised and shortened its regulation 1, under which commodities financed through program assistance must be purchased. The regulation has been simplified, and its provisions have been brought into closer conformity with established private enterprise trade practices.

Also, AID has codified and tightened its policy regarding the permissible sources of commodities and services which are purchased with AID funds. The new directives will keep to the barest minimum America's dollar losses attributable to the AID program.

In the procurement field, as in the others, emphasis has been placed upon greater speed of action. AID's requisitioning documents, the Project Implementation Orders, have been redesigned with this objective in mind. Provision has been made for the advance submission to Washington of such documents in "worksheet" form when the requisitioning mission lacks the expertise to draft adequate specifications. In order to

simplify and speed up the negotiating process, requisitioning missions now are made to spell out in far greater detail than formerly the specific forms of logistic support that they intend to provide or arrange for each contractor.

A new series of mechanisms has been developed in the past year to accelerate the procurement of AID-financed commodities by other U.S. Government agencies, principally the General Services Administration. Now, delivery schedules are established, better followup is provided, and special priorities are attached to procurement related to public safety activities and the counterinsurgency program in Vietnam.

There are many other impressive accomplishments of AID's implementation project in the field of procurement, but I shall not list them all in detail here. It will suffice to say that at least half a dozen studies of key procurement issues are now in progress and that one such study already completed—relating to the acquisition of U.S. Government-owned excess property—has resulted in a single consolidated directive which supersedes no less than 22 former policy and procedural papers.

The achievements I have been discussing do not constitute a comprehensive listing of AID's management reforms in the past year. The implementation project was just one part of Mr. Bell's housecleaning operation. Many other significant improvements were made.

For example, full-scale mission reorganizations were accomplished in Vietnam, Taiwan, Jordan, and Pakistan. Internal mission procedures were totally overhauled and revamped in India, Taiwan, and Laos.

In six countries in Africa, the State Department, AID, and the U.S. Information Agency, in the interests of economy, pooled their administrative resources to create what are now called Consolidated Administrative Management Organizations. In 13 other African countries, the AID effort is conducted as an integral part of the embassy operation to avoid the necessity of having a separate AID mission.

I am informed that in the coming year, AID expects to undertake thoroughgoing reviews of personnel policies and practices, to examine and possibly develop a new system of controlling staffing levels, to vigorously pursue with State and USIA the development of common housekeeping procedures overseas, and to increase its utilization of the services of other U.S. Government agencies in carrying out AID programs. If these efforts are pursued as vigorously as the implementation project, prospects for even greater streamlining of AID in the future are good indeed.

These management improvements in AID show that the agency has come a long way under the leadership of David Bell. They rank, in my opinion, on a par with the striking organizational and management improvements made in the Defense Department under the leadership of Robert McNamara. At a time when so many questions are being raised about foreign aid, I think we should give credit where credit is due. Foreign aid

is still difficult to administer, but it is being administered now with care and skill, and I join my colleagues in commending the officials of the program and especially Mr. Bell, for their good work.

Mr. OLSON of Minnesota. Mr. Speaker, I think most Americans are aware of the tremendous good performed by food for peace. Too often, however, this unique and monumental effort is not connected in their thinking to the foreign aid program, the value of which we are discussing here.

Americans may know of such projects as the Rihand Dam in India, a huge development financed in large part by funds generated by the sales of our surplus food. They may know about the imaginative colonization and school building projects in Bolivia, made possible by the direct donations and sales of American food. They may have heard about reforestation projects in Algeria and Tunisia, carried on by voluntary agencies using our food.

The American people certainly should know that their agricultural products are feeding 40 million children throughout the world, and that food for peace is helping to relieve the suffering in devastated Haiti, Trinidad-Tobago and other lands stricken by disaster.

What many people don't realize, however, is that these achievements and operations of food for peace could not be accomplished with maximum benefit and effectiveness unless they were integrated into a sound, overall development program.

These people may consider food for peace and foreign aid as two separate things. They say, "I am for feeding hungry people, but I am against foreign aid."

This, of course, may express a certain type of charitable spirit but it misses the point. The highest type of charity—if you call it that—does not consist merely of furnishing a cup of milk and a dish of bulgur wheat to a hungry man, but of providing the means to eliminate the need for the man to require charity.

The fact is, food for peace—aside from emergency use—achieves its objectives faster and more completely when it is brought within a program of planning. Capital development and technical assistance, principal elements of foreign assistance programs, are instrumental in helping food for peace achieve its objectives. Take, for example, the Republic of China—Taiwan. We consider that country to be approaching the threshold of self-sustaining economy. It has made good use of its food for peace. But it did this within an overall economic plan that took in capital development and technical assistance. Israel is another country to which we can point both as an example of effective capital development, technical assistance, and uses of food for peace. But those were all used together in a plan—not separately.

Japan, where the total amount of economic aid was \$3.6 million, is a spectacular example. Not only did she use food for peace effectively but planned her reconstruction and development of the extent that all of them together con-

tributed to an amazing postwar growth. Food for peace changed Japanese eating habits; today she is our largest customer for agricultural products. But capital development assistance also was necessary for her to achieve this stage.

The point to be made about these three countries, where foreign aid has achieved success, is that food for peace and the other elements of assistance were integrated. Food was used as a resource, along with money and skills. One worked with and for the others. Had they been separate, we would not have the results we see today.

Let me illustrate this point further by citing some agriculture export figures for three countries: Greece, Israel and Taiwan.

These countries have received extensive aid, including food for peace. Significantly, these three countries now are buying more foodstuffs from the United States through unassisted commercial sales. Greece, for instance, has increased her imports from \$2 million in 1958 to \$4.3 million in 1962. Israel increased hers from \$7.6 million in 1958 to \$17.5 million in 1962. And Taiwan's commercial agricultural imports rose from \$3.1 million in 1958 to \$24.5 million in 1962.

We are still shipping a great deal of Public Law 480 food to these countries, but the value of an effective integrated foreign aid program is illustrated by the fact that commercial trade has grown—a direct benefit to the United States.

Those who support food for peace have an enormous stake in an effective foreign assistance program. I do not mean simply finding better ways and means of disposing of our current surpluses or what we can do to feed more people faster. What should be of concern is the future—endeavoring to bring about a multiplication of the Greece-Israel-Taiwan story. The underdeveloped world today is the great market for American products tomorrow. The people of these countries, however, cannot become paying customers unless they are able to increase their incomes and purchasing power. Food for peace alone cannot do this. It can be of immense help, however, if there is a strong, effective, planned foreign assistance program that is designed to help people help themselves.

From a humanitarian standpoint, our aim is not merely to dispense charity but to offer the people of the underdeveloped lands a chance to make a living in dignity and freedom. But this is impossible if capital in the form of loans, does not create the industries to provide the jobs; if technical assistance is not available to provide the training.

It does little permanent good, it seems to me, to feed and clothe a man and provide no opportunity for him to live decently, to be able to educate his children, to become self-sustaining. It is fine to feed 40 million children, but these children ought to have the opportunity to go to school, to be taught by qualified teachers, to read good textbooks—and to look forward to a meaningful and productive life.

A strong AID program provides the framework that enables food for peace to achieve such long-lasting results. This means that those who believe in food for peace, who seek to make it significant and effective, have a vital stake in this legislation now before Congress. Severe cuts in AID authorizations and appropriations will automatically slow down the rate of economic growth of the less developed countries. They will reduce the demand for agricultural commodities as well as other products.

A Public Law 480 program that has as its aim merely the disposal of surplus foods and fibers is not in the long-range interests of the United States. Neither is the mere increase in the number of people fed. But a food-for-peace program that brings permanent benefits, that helps other countries become self-sustaining under freedom is very much in the interests of the United States.

This cannot be achieved by itself. It cannot be achieved by saying, "I will feed hungry people but I'm against foreign aid." It can be achieved when coupled with a strong foreign assistance program that has the means and the flexibility to be an influence in enhancing the security of the free world.

Mr. VAN DEERLIN. Mr. Speaker, one of the most hopeful developments in the whole foreign aid picture is the newly established Central American Common Market embracing Guatemala, Honduras, Nicaragua, El Salvador, and Costa Rica.

Until 1821 these countries, comprising an area slightly larger than California, were administered by Spain as a single unit. Fragmentation set in, following their struggle for independence. After 25 unsuccessful attempts during the next century and a quarter to restore political union, the 5 countries decided in 1950 to approach union economically rather than politically. A series of treaties culminated in a five-nation General Treaty of Economic Integration in December of 1960, which Panama is now seeking to join as an associate member.

Recognizing that the first important step was to create a regional free trade area, the signatories pledged immediate free trade benefits for about 95 percent of the items on a large trade list. This resulted in free trade becoming effective within the region on some 1,200 items the day the treaty was ratified.

They further obligated themselves to eliminate the remaining 5 percent of intercountry tariffs and to establish a common external tariff by 1966. Negotiations to establish the common external tariff schedule already are completed on 90 percent of the items. Trade within the region has risen from less than 5 percent of the total in 1959 to more than 8 percent in 1961, and preliminary figures indicate that it rose to above 10 percent of the total in 1962.

The treaty further set up the Central American Bank for Economic Integration to finance and promote integrated economic development. Each country pledged to subscribe \$4 million with \$2 million to be paid upon ratification of the treaty.

A Central American clearinghouse now is handling 60 percent of all settlements between the five countries in much the same manner as our Federal Reserve System handles settlements between regions of the United States.

The concept of regional integration has now been extended to education with the establishment of a Council of Central American Universities to combine the few institutions of higher learning into an integrated university system. Universities in each of the five countries are being assigned a dominant field of knowledge in which to specialize, and the doors of all will be open to students from throughout Central America.

The United States has taken a number of steps to support these developments. In 1961, the United States made a \$5 million loan and a \$2 million grant to the Central American Bank for Economic Integration for relending for projects of regional interest. An additional million was granted in 1962 for infrastructure and industrial feasibility studies.

In 1962 the Agency for International Development established in Guatemala a Regional Office for Central America and Panama—ROCAP—to provide better U.S. support for Central American economic integration.

ROCAP works closely with the Permanent Secretariat for Central American Economic Integration in Guatemala City, the operating group responsible for implementing the treaties of 1958 and 1960, the Central American Bank for Economic Integration, the Superior Council of Central American Universities, and the Organization of Central American States. ROCAP also maintains liaison with the United Nations Economic Commission for Latin America office in Mexico City which has been closely connected with the integration movement for the past 10 years.

ROCAP is involved in planning for expansion of manufacturing and service industries to supply the growing internal markets of Central America. Further assistance is being given to diversification of export products and development of a skilled labor force required for industrial growth.

In the area of social development ROCAP currently is concerned with textbooks—2,200,000 free readers were distributed to about 800,000 first- and second-grade public school children in the 5 republics during the first half of 1963. These are the first of a series of Spanish-language textbooks developed and distributed through the Central American Regional Textbook Development Center in Guatemala. A 5-year plan will embrace all subjects taught through the sixth grade.

ROCAP is cooperating in a mobile rural health program. This program will provide through mobile health units curative and preventive medical service. Also it will organize citizen committees to improve fields allied to health such as water supplies, sewage disposal, and health education.

The Central America Common Market is a dramatic example of the fruits of helping others to help themselves. It is

viewed by the Treasury Department's National Advisory Council on International Monetary and Financial Problems. If these two groups have no objection, the regional administrator of AID will authorize the loan. If, however, the loan is for more than \$10 million or presents a significant policy issue, only the Administrator of AID may authorize the loan.

Once the loan is approved, the staff committee which analyzed the proposal is assigned the task of implementing the loan. A loan agreement is prepared and various conditions precedent to disbursement specified. Included among such conditions is the requirement, under section 112 of the Foreign Aid Appropriations Act for fiscal year 1963, that all contracts financed by the loan be approved by AID, and that all contractors selected by the borrower to perform such contracts also be approved by the Agency. In the case of a loan to finance the construction of a plant, AID generally requires that an independent U.S. consulting engineering firm be retained to prepare the design specifications and supervise the construction of the plant. This requirement serves to insure that projects financed by AID are soundly engineered and constructed.

In the case of the fertilizer project in question, AID financing will be made available to finance the dollar costs of the U.S. engineering and construction services and of equipment procured from the United States. Pursuant to section 112, AID will approve each of the U.S. firms selected to perform these services and supply the equipment as well as the terms of the actual contracts. Included in this review will be the reasonableness of the price, the adequacy of the performance guarantees offered by the U.S. suppliers and the scope of services to be provided by such suppliers. Once the conditions precedent to disbursement are met, AID will authorize the borrower to open letters of credit at U.S. banks in favor of the U.S. suppliers. Payment will be made directly to the U.S. suppliers by the bank against documents specified by AID.

Once the conditions precedent to disbursement have been met, members of the regional bureau are assigned to monitor the project. Progress reports prepared by the borrower are regularly received and reviewed and staff members make periodic visits to the site for a firsthand check on the progress of the project. In addition, periodic financial statements are required and reviewed. At least once a year a report is prepared by the Agency staff reviewing the current status of the project and summarizing the progress made during the year.

The success of this rigorous procedure for the making of each foreign aid loan is demonstrated by the excellent lending record of the foreign aid program. Of the total of \$24.7 billion of U.S. credits to foreign governments, \$9 billion have been repaid as of June 30, 1963. Of the \$15.7 billion outstanding as of June 30, 1963, only \$190 million in principal and interest was due and unpaid for 90 days or more. The bulk of

this is owed by countries which are not now receiving foreign aid.

This is an excellent lending record by any standard. These facts show that repayment on loans made under the foreign aid program has been just as good or better than the repayment record for regular commercial loans or for personal loans in the United States itself. One of the reasons that the lending record of the foreign aid program has been so good is that rigorous standards and procedures are followed in the making of loans by the officials of our foreign aid program.

The foreign aid program is not, of course, a straight commercial enterprise, and should not be judged simply by the normal principles for evaluating a commercial lending operation. But I think it is comforting and reassuring to note that in the making of loans, which is such a central part of the effort to help other countries to develop, our Government is doing such a good job of lending money in a responsible and effective manner.

THE GRAVE SITUATION IN THE MIDDLE EAST

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House the gentleman from New York [Mr. RYAN] is recognized for 5 minutes.

Mr. RYAN of New York. Mr. Speaker, on May 9 of this year I brought to the attention of the House the grave situation in the Middle East, expressing my concern over the intensification of the arms buildup in Egypt and the persistent hostility of President Nasser of Egypt to the democracy of Israel. The situation in the Middle East has not changed. The arms buildup in Egypt continues as does Nasser's opposition to Israel's very existence.

On May 9 I introduced House Concurrent Resolution 152. Senators HUMPHREY, GRUENING, HART, MCCARTHY, CLARK, and MORSE have introduced a companion resolution in the other body. The resolution states:

That it is the sense of the Congress that the President of the United States use his good offices with the states of the area to negotiate with them either through the United Nations, or directly, an agreement that nuclear weapons will neither be produced in the area nor be introduced into the area; that missiles of a mass-destruction nature will neither be produced nor be introduced into the area; that an international policing system will be adopted to enforce such agreement; and that the United States continue, in accordance with the tripartite declaration of May 1950, to take all necessary and appropriate actions both within and outside the United Nations to prevent any violation of existing frontiers or armistice lines in the Near East; and that the United States, either through the United Nations, or directly with other nations in the area, devise means to bring to an end the recriminations and incitements to violence which are contributing to tension and instability in the Near East.

Mr. Speaker, in view of the critical situation in the Middle East, it was hoped that this resolution would receive prompt consideration. However, that was not

the case. On November 1, 1963, the Department of State sent to the distinguished chairman of the Committee on Foreign Affairs a report which attempts to dismiss the resolution as unnecessary.

According to the Department of State:

United States actions have given fullest support to the objectives which this resolution seeks to accomplish.

The only evidence the Department offers to support this statement consists of a general declaration that the United States opposes the introduction of nuclear weapons and the production or acquisition of other weapons of mass destruction in the Middle East, and that it is U.S. policy to reduce tensions in the area.

Then the Department makes the appalling statement that it opposes "public discussion of this resolution" on the grounds that such discussion would "only stimulate emotional reactions among countries in the area and make it more difficult for this Government to continue to use its influence in this way."

Mr. Speaker, contrary to this report U.S. actions have not "given fullest support to the objectives which this resolution seeks to accomplish." It is significant that the report does not point to a single concrete action which supports the objectives of the resolution. For example, no mention is made of reducing our foreign aid program to Egypt. No mention is made of a strong and official protest over Egypt's open declarations of hostility to Israel. When the only democracy in that area is threatened with destruction, pious statements are not sufficient.

While the Department of State wants to hush up public discussion of this resolution, I believe that the situation in the Middle East merits full public discussion. We have an obligation not only to discuss this issue but to do everything we can to preserve peace and stability in the Middle East. That is the purpose of House Concurrent Resolution 152. I urge all Members to support it.

Mr. Speaker, for the benefit of my colleagues, I include the report of the Department of State at this point in the RECORD.

DEPARTMENT OF STATE,
Washington, November 1, 1963.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: Thank you for your letter of July 30, 1963, addressed to the Secretary requesting comment by the Department of State on House Concurrent Resolution 152, submitted on May 9, 1963, which expresses the sense of the Congress that the President of the United States use his good offices to obtain agreement among countries in the Near East not to produce or introduce nuclear weapons or missiles of a mass-destruction nature and that the United States takes appropriate action both within and outside the United Nations to prevent violation of existing frontiers or armistice lines. The Department appreciates the opportunity to express its views on this situation.

This Government shares the concerns expressed in the preambular section of the resolution and recognizes the potential dangers of an arms race in the Near East. The means to forestall the spread of nuclear

House

Dec 14 1963

17. LEGISLATIVE PROGRAM. Sen. Mansfield expressed hope that the Senate Appropriations Committee could complete its markup of the foreign aid appropriation bill so that it could be taken up in the Senate during the week of Dec. 16. p. 23352

18. ADJOURNED until Mon., Dec. 16. p. 23378

HOUSE - Dec. 13

19. GOVERNMENT ECONOMY. Rep. Roush commended the President for his efforts to "increase efficiency in our Government" as a "step toward reduction of expenditures." p. 23380

20. APPROPRIATIONS. Conferees were appointed on H. R. 7063, the State-Justice-Commerce-Judiciary appropriation bill, 1964. Senate conferees have already been appointed. p. 23388

21. FOREIGN TRADE. Rep. Selden inserted his address criticizing the U.S. for "our failure to come to grips with the economic ills of Latin America" and stating that "the depression in Latin America's coffee-producing industry is a leading cause of economic and political instability in the area" and urging a more "favorable climate" for private investment in the area. pp. 23389-91
The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 5986, to amend the Tariff Act of 1930 with respect to the rate of duty on brooms made of broom corn. p. D994

22. ELECTRIFICATION; RIVER BASINS. Rep. Olsen (Mont.) stated that the authorization for the Knowles Dam and Reservoir, Mont., included in the river basin authorization bill, is a loan which would be repaid from electrical power revenue and the only dispute over the project is private power vs. public power; while Rep. Battin inserted an article claiming that this project is not wanted by the inhabitants of the area and will cause dislocation of some of the people. pp. 23395-6, 23398-9

23. PEACE CORPS. Rep. Dole inserted his questions and Mr. Shriver's answers concerning relationships with countries receiving both Peace Corpsmen, foreign aid, and Peace Corps research projects. pp. 23410-9

24. ELECTRIFICATION; LOANS. Received from this Department proposed legislation to establish a Rural Electrification Administration loan account; to Agriculture Committee. p. 23420

25. RECREATION. The Interior and Insular Affairs Committee reported with amendment H.R. 4010, to provide an adequate basis for administration of the Lake Mead National Recreation Area, Ariz., and Nev. p. 23420

26. LOANS. The Indian Affairs Subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H.R. 1794, to authorize the acquisition of and the payment for a flowage easement and rights-of-way over lands within the Allegany Indian Reservation in N. Y. D994

27. PATENTS; LIBRARIES. The Rules Committee granted open rules for consideration of H.R. 8190, to fix the fees payable to the Patent Office and H. R. 4879, to amend the Library Services Act to increase the Federal assistance for the improvement of public libraries. p. D994

28. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., Dec. 16, the House will consider the 1964 foreign aid appropriation bill, on Tues., H. R. 8459, to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations, and it is hoped that the House will adjourn sine die during the latter part of the week. pp. 23394-5

HOUSE - Dec. 14

29. FOREIGN AID APPROPRIATION BILL, 1964. The Appropriations Committee reported this bill, H. R. 9499 (H. Rept. 1040). p. 23454

30. ADJOURNED until Mon., Dec. 16. p. 23454

ITEMS IN APPENDIX

31. PUBLIC WORKS. Extension of remarks of Rep. Cramer commending and inserting an analysis of the public works acceleration program. pp. A7609-10
32. BEEF IMPORTS. Extension of remarks of Rep. Dole inserting his statement urging the establishment of quotas and increased import duties of the importation of beef. p. D7623

BILLS INTRODUCED

33. MINERALS. S. 2384, by Sen. Jackson, to amend the act of August 21, 1958 (72 Stat. 700), relating to the exploration program for discovery of new minerals to Interior and Insular Affairs Committee. Remarks of author, pp. 23313-4
34. PERSONNEL. S. 2386, by Sen. Scott, to amend the Classification Act of 1949 to authorize the establishment of hazardous duty pay in certain cases; to Post Office and Civil Service Committee. Remarks of author, p. 23314
35. RECLAMATION. S. 2388, by Sen. Bible, to authorize the Secretary of the Interior to construct, operate, and maintain the southern Nevada water project, Nevada; to Interior and Insular Affairs Committee. Remarks of author, pp. 23314-5
36. AREA DEVELOPMENT. H. R. 9481, by Rep. Becker, H. R. 9493, by Rep. Wharton, and H. R. 9498, by Rep. Riehlman, to require an economic survey by the Area Redevelopment Administrator prior to the termination of operations at certain installations or facilities of the Department of Defense; to Armed Services Committee.
37. ECONOMICS. H. R. 9433, by Rep. Pelly, and H. R. 9492, by Rep. Rosenthal, to establish a National Economic Conversion Commission; to Interstate and Foreign Commerce Committee.
38. ROADS. H. R. 9486, by Rep. Talcott, to amend section 107 of title 23 of the United States Code to prohibit the Secretary of Commerce from condemning certain lands for highways; to Public Works Committee.

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COMMITTEE HEARINGS DEC. 16

Wheat legislation, H. Agriculture.

Foreign aid appropriations, S. Appropriations (exec).

FOREIGN AID AND RELATED AGENCIES APPROPRIATION
BILL, 1964

DECEMBER 14, 1963.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. PASSMAN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 9499]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for
Foreign Aid and related agencies for the fiscal year ending June 30,
1964.

SUMMARY OF THE BILL

Title	Item	Authorization	Recommended	Bill compared with authori- zation (+) or (-)
I	Foreign Aid (Mutual Security)-----	\$3,602,075,000	\$2,801,700,000	-\$800,375,000
II	Foreign Aid (Other)-----	327,079,000	295,580,000	-31,499,000
III	Export-Import Bank (Limitation on T.B.A.)----	1,317,866,000	1,317,866,000	-----
IV	Legislative Branch-----	3,014,235	2,838,275	-175,960
V	Claims and Judgments:			
	Federal-----	12,982,095	12,982,095	-----
	District of Columbia-----	(22,258)	(22,258)	-----
	Total-----	5,263,016,330	4,430,966,960	-832,049,960

In addition to the estimates contained in the January Budget, the
Committee considered H. Doc. 101, dated April 11, 1963, which
transmitted a recommendation of the President to reduce his original
estimate of \$4,945,025,000 for the Foreign Aid Program to
\$4,525,325,000, H. Doc. 83, dated March 18, 1963, which reduced
the original estimate of \$11,800,000 for the Migration and Refugee
Assistance Program of the State Department to \$10,683,000, several

items contained in H. Doc. 174, dated November 21, 1963, and also considered H. Doc. 182, dated December 10, 1963.

The accompanying bill recommends an appropriation of \$3,113,100,370 in addition to the limitation of \$1,317,866,000 for the Export-Import Bank, for a total of \$4,430,966,960. The recommended amount is \$1,761,299,960 below the formal budget estimates considered by the Committee and \$832,049,960 below the amounts authorized or budgeted for programs not requiring annual authorization.

GENERAL STATEMENT

The Foreign Operations Subcommittee in its consideration of this bill conducted more than 800 hours of research and hearings. Testimony by officials of the Executive Branch and other individuals resulted in over 11,000 pages of transcript. The four volumes of printed hearings contain 3,849 pages of testimony and related data, and represent a most thorough examination of the budget estimates of the Foreign Aid program.

Based on this thorough examination of the estimates, the accompanying bill contains recommended appropriations of \$3,113,100,370. The bill also represents an attempt by the Committee to consolidate in one package for consideration by the House some of the readily identifiable elements of the Foreign Aid program which are presently scattered throughout the President's Budget. The Committee considers this "single-package" concept of importance in order to give the House some idea of the magnitude of the United States financial operations overseas. If bits and pieces of the program are scattered in the budgets of the various departments and agencies of the Federal Government there is a tendency, as experience has shown, for the bits and pieces to grow larger and larger. In addition to this bill, the Congress has already considered several appropriation bills which contained funds for what might also be considered as foreign aid programs—such as the Agriculture Appropriation Bill which contained \$1,719,966,000 to reimburse the Commodity Credit Corporation for commodities sold or given away under the P.L. 480 (now known as Food for Peace) program, and the Treasury Department Appropriation Bill which carries the annual appropriation to pay the interest on the public debt, a portion of which has been generated by our generosity in the foreign assistance field. The House has also recently passed the Military Construction Appropriation Bill which contained approximately \$183,000,000 for construction of overseas military facilities which may in the long run prove more enduring and valuable than some of these facilities financed by this bill.

During the hearings the Committee received testimony that our aid program is being continued in countries where one of the following illegal actions has occurred:

A dictator has taken over control of the country.

A military junta has overthrown a friendly government.

A president or premier has been assassinated.

A newly-elected president has been prevented from taking office.

A monarch has been dispossessed by a rebel force.

The testimony indicated that our aid program in these countries may have been suspended temporarily but in each instance it was resumed within a very short period of time. Page 115 of Part 3 of the hearings contains a listing of 29 aid-recipient countries which experienced an illegal change of government during the period 1948-1963.

Of these 29 countries Cuba is the only country which is not now receiving direct U.S. aid, although she does receive assistance from the United Nations.

PROLIFERATION OF U.S. FOREIGN AID PROGRAM

A matter of some concern to the Committee is the attitude of some officials of our Government who are in a position to influence a decision as to whether or not a foreign nation should receive financial assistance from the United States. This attitude is exemplified by the following statement made on page 999 of Part 3 of the hearings during the testimony of William Kling, Special Assistant for Economic Affairs, African Affairs, Department of State:

Mr. KLING. * * * I do not think that our aid program has to be necessarily directed toward rather unrealistic policies of only helping our friends * * *.

This attitude is undoubtedly the reason why the aid program is in the process of dispensing billions of dollars a year to practically every country in the world.

The Committee has long felt that this program has been attempting too much for too many. For example, of the other 112 countries of the world, the President contemplates the granting of assistance during fiscal year 1964 to a minimum of 100 countries, territories, or possessions. The proposed military assistance program alone envisages grant aid to 65 countries and credit assistance to 3 additional countries.

The Committee is of the opinion that our "aid dollar" could be more wisely spent by concentrating our assistance in fewer countries with well-planned projects. It does not believe that we have to have an aid program in some countries—especially in the African area—to maintain a U.S. presence or image. Whatever financial assistance is required by these developing countries is the responsibility of the former metropole since the latter is generally tied to the newly-formed country by a common language, trade agreements, and substantial investments.

The Committee is also of the opinion that it is not the sole responsibility of the United States to provide substantial assistance to newly-developing countries who turned to the Bloc for aid, have become disenchanted with such aid, and are now looking to the United States for financial assistance. The Committee wonders how much faith and reliance can be placed on such countries.

In other countries—the attitude of the official and semi-official press and radio is anti-American. However, according to the testimony of the Executive Branch officials, the people are pro-America and this supposedly justifies an aid program.

In still other countries, unwise fiscal policies, inflation, deficit spending, and lack of self-help efforts seem only to qualify those countries for larger grant assistance.

INCREASED AID PROGRAM FOR LATIN AMERICAN COUNTRIES MAINTAINING RELATIONS WITH CUBA

In Latin America, there are 5 countries which still maintain trade and diplomatic relations with Cuba—Bolivia, Brazil, Chile, Mexico and Uruguay. It is almost inconceivable to the Committee that the Administration would propose for FY 1964 a total increase of ap-

proximately \$100,000,000 in economic and military aid above the FY 1963 aid program for these 5 countries.

LACK OF FIRMNESS OF FY 1964 PROGRAM

Of the total 2157 projects in the aid program—1896 grant and 261 loan projects—the Committee examined virtually every one of the 1244 projects contained in this year's Congressional presentation books and at various times throughout the hearings the Executive Branch witnesses testified as to the "illustrative" nature of the program, and further testified that portions of the project estimates were too high, needed further examination and review, or were being completely dropped from the request. For example:

On page 2424 of Part 4 of the printed hearings:

Mr. PASSMAN. We have given over \$100 billion since the end of World War II; about \$124 billion, if you include the interest on the money we borrowed to give away.

These programs are illustrative; is that correct?

Mr. MOSCOSO. That is right.

Mr. PASSMAN. You can justify them but substitute a different set of programs altogether?

Mr. MOSCOSO. That is correct.

Mr. PASSMAN. You could, under the law, ignore every program, everything that you have justified in the book, and spend the money and obligate it for different purposes; could you not?

Mr. MOSCOSO. That is right.

In the Far East Region (Page 605 of Part 3 of the hearings) in connection with the estimate of \$700,000 for the Civil Police Administration project in Laos:

Mr. JANOW. * * * This \$700,000 in my opinion will not be obligated in 1964.

In the Africa Region (Page 841 of Part 3) in connection with the estimate of \$200,000 for the Kenya Junior College project:

Mr. HUTCHINSON. That project you can cancel out of the book * * *.

In the Near East-South Asia Region (Page 1513 of Part 4) in connection with the estimate of \$42,000 for the Telecommunications Training Center project in the United Arab Republic:

Mr. PASSMAN. * * * which would mean you do not need the \$42,000 that you are requesting for 1964.

Mr. GAUD. I agree.

In the Latin America Region (Page 2234 of Part 4) in connection with the estimate of \$420,000 for contract services for the Economics Education project in Brazil:

Mr. PASSMAN. I asked you how firm is the estimate?

Mr. MOSCOSO. It is an estimate, Mr. Passman; it says "should findings favor the establishment of a national graduate institute of economics." It is not firm. It is an estimate.

GOLD OUTFLOW

A review of the printed hearings of the past several years will indicate the concern of the Committee with the "gold outflow" problem.

During the early years of the Foreign Aid program the dollar was regarded as a superstrong currency despite the fact that the United States had a deficit balance of payments in every year beginning with 1950 through 1962 with the sole exception of 1957 where we experienced a surplus balance of payments of approximately \$500,000,000.

Since 1958 the dollar has been growing weaker and one of the major reasons, in the opinion of the Committee, has been the outflow of gold. On December 31, 1957, the gold stock of the United States amounted to \$22,857,000,000. Since that date our gold stockpile has been diminishing steadily and on June 30, 1963, it amounted to \$15,830,000,000, a drop of \$7,027,000,000. During this same period of 5½ years, 52 foreign nations—each one a recipient of United States foreign aid—purchased from the Treasury \$6,823,200,000 of United States gold. A table showing the net sales of gold from the United States Treasury to recipients of the Foreign Aid program follows:

Net sales of U.S. gold to foreign aid program recipients

[In millions of dollars—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	Jan. 1– June 30 1963	Total
Austria.....	-\$84.2	-\$82.7	-\$1.1	-----	-\$142.5	-\$50.0	-\$360.5
Belgium.....	-329.4	-38.5	-140.9	-\$144.4	-63.0	-----	-716.2
Burma.....	-----	-----	-3.8	-----	-20.9	-----	-24.7
Cambodia.....	-----	-----	-12.0	-3.1	-1.7	-2.3	-19.1
Cameroon Republic.....	-----	-----	-----	-----	-----	-1.9	-1.9
Central African Republic.....	-----	-----	-----	-----	-----	-.7	-.7
Ceylon.....	-----	-7.5	-----	-----	-----	-----	-7.5
Chad.....	-----	-----	-----	-----	-----	-.7	-.7
Chile.....	+3.0	-1.3	-2.0	-6.6	-----	-----	-6.9
Costa Rica.....	-----	-----	-----	-2.3	-.5	-----	-2.8
Cyprus.....	-----	-----	-----	-2.0	-----	-----	-2.0
Dahomey.....	-----	-----	-----	-----	-----	-.8	-.8
Denmark.....	-17.0	-15.0	-15.0	-35.0	+15.0	-----	-67.0
Dominican Republic.....	-----	-----	-----	-3.0	-----	-----	-3.0
Ecuador.....	-----	-----	-----	-----	-3.2	-2.3	-5.5
Egypt.....	-----	-----	-7.5	-7.8	-1.2	-.9	-17.4
Country A.....	-----	-4.7	-3.0	-----	-----	-----	-7.7
France.....	-----	-265.7	-173.0	-----	-459.1	-202.6	-1,100.4
Gabon.....	-----	-----	-----	-----	-----	-.7	-.7
Germany (West).....	-----	-----	-33.8	-22.5	-----	-----	-56.3
Ghana.....	-----	-----	-5.6	-----	-----	-----	-5.6
Greece.....	-----	-15.0	-47.0	-10.2	-19.1	-----	-91.3
Honduras.....	-----	-----	-.8	-----	-----	-----	-.8
Indonesia.....	-----	-11.0	-24.9	-----	-----	-----	-35.9
Iran.....	-2.3	-----	-.4	-16.1	-----	-5.9	-24.7
Iraq.....	-----	-----	-29.8	-----	-----	-----	-29.8
Israel.....	-----	-4.4	-----	-----	-10.0	-----	-14.4
Italy.....	-348.8	-----	-----	+100.0	-----	-----	-248.8
Ivory Coast.....	-----	-----	-----	-----	-1.5	-----	-1.5
Japan.....	-30.1	-157.4	-15.2	-----	-----	-----	-202.7
Korea.....	-----	-1.6	-----	-----	-----	-----	-1.6
Laos.....	-----	-----	-----	-1.9	-----	-----	-1.9
Lebanon.....	-----	-----	-----	-21.0	-32.1	-----	-53.1
Mexico.....	-----	-30.0	-20.0	-----	-----	-----	-50.0
Morocco.....	-----	-----	-21.0	-----	-----	-----	-21.0
Netherlands.....	-260.9	-29.9	-249.4	-24.9	-----	-----	-565.1
Niger.....	-----	-----	-----	-----	-----	-.8	-.8
Nigeria.....	-----	-----	-----	-20.0	-----	-----	-20.0
Pakistan.....	-----	-----	-12.5	-----	-----	-----	-12.5
Peru.....	-----	-----	-15.0	-5.0	-.6	-----	-20.6
Portugal.....	-20.0	-10.0	-----	-----	-----	-----	-30.0
Saudi Arabia.....	-----	-----	-11.3	-47.5	-12.6	-----	-71.4
Senegal.....	-----	-----	-----	-----	-----	-1.7	-1.7
Somalia.....	-----	-----	-----	-----	-1.9	-----	-1.9
Spain.....	+31.7	-----	-113.7	-156.2	-146.1	-130.0	-514.3
Surinam.....	-2.5	-----	-2.5	-----	+2.5	-----	-2.5
Syria.....	-----	-----	-2.1	-----	-1.3	-.2	-3.6
Tunisia.....	-----	-----	-.5	-----	-.5	-.5	-1.5
Turkey.....	-----	-----	-6.1	-2.5	-1.1	+6.0	-3.7
United Kingdom.....	-900.0	-350.0	-550.0	-305.7	-387.0	+124.5	-2,368.2
Upper Volta.....	-----	-----	-----	-----	-----	-.8	-.8
Yugoslavia.....	-----	-1.5	-15.9	-----	-1.5	-.8	-19.7
Net sales of gold.....	-1,960.5	-1,026.2	-1,535.8	-737.7	-1,289.9	-273.1	-6,823.2

While there may be good and valid reasons why foreign nations have been able to purchase our gold, in the opinion of the Committee one of the primary reasons is that the United States, through the Foreign Aid program for the same period of January 1, 1958, to June 30, 1963, extended \$11,947,400,000 in economic and military assistance to these same 52 foreign nations. This financial assistance by the United States in turn released the revenues of these 52 nations to be used in any way they saw fit and obviously one of the ways was to buy \$6.8 billion of gold from the United States Treasury.

BALANCE OF PAYMENTS

The Committee has also been concerned with the serious problem confronting the United States with reference to the balance of payments situation. As noted above, the United States has had a deficit position in its international balance-of-payments in each year since 1950 with the exception of 1957 when we experienced a surplus position of approximately \$500,000,000. Present data indicates that we will again have a substantial deficit in 1963. The following table shows the deficit by years:

<i>U.S. balance-of-payments position</i>	
1950 net deficit.....	—\$1, 912, 000, 000
1951 net deficit.....	—578, 000, 000
1952 net deficit.....	—1, 100, 000, 000
1953 net deficit.....	—2, 100, 000, 000
1954 net deficit.....	—1, 500, 000, 000
1955 net deficit.....	—1, 100, 000, 000
1956 net deficit.....	—1, 000, 000, 000
1957 (only credit in 13 years).....	+500, 000, 000
1958 net deficit.....	—3, 400, 000, 000
1959 net deficit.....	—3, 700, 000, 000
1960 net deficit.....	—3, 800, 000, 000
1961 net deficit.....	—2, 400, 000, 000
1962 net deficit.....	—2, 200, 000, 000
U.S. deficit, 1950 through 1962, inclusive.....	—24, 290, 000, 000

During fiscal year 1963 the Agency for International Development allocated \$901,996,000 to 23 countries for the following purposes:

Purpose	Amount
Balance-of-payments purposes.....	\$795, 846, 000
Budgetary support.....	63, 400, 000
Cash grants.....	42, 750, 000
Total.....	901, 996, 000

At the same time the Administration is trying to improve our own very serious balance-of-payments position which, as noted above, had a deficit balance of \$2.2 billion in 1962 and the present estimate for 1963 appears to be a deficit of approximately \$2 billion, by recommending legislation to the Congress, taking administrative action, and requesting funds to implement such actions. It is a moot question as to whether the United States should be giving financial assistance to foreign countries to alleviate their balance of payments problems when we cannot balance our own, and whether the United States should be giving budgetary support and direct cash grants to

foreign countries at a time when we are experiencing substantial budget deficits here in this country.

TIED-PROCUREMENT POLICY

AID states that today fully 80 percent of AID funds are committed for the export of U.S. goods and services and in fiscal year 1964 and future years AID intends to raise this proportion even further.

The AID policy of tying economic aid to procurement in the United States rather than abroad appears to the Committee to be a "gimmick" to sell the aid program to the American taxpayer. What the agency neglects to add is that the taxpayer is financing the cost of the 80 percent U.S.-procurement and in addition is also financing the additional 20 percent that is procured overseas.

U.S.-tied procurement also increases the cost of the aid program to the taxpayer, as it tends to create a wall around the U.S. manufacturer and insulates him from the need to meet competition from the foreign producer. This tied-procurement policy would appear to be aid to United States industry rather than aid to the developing nations.

Another argument cited in favor of a continuation of the foreign aid program is that our assistance builds up the economies of the developing nations which then creates a demand for U.S. exports. India, for example, has been one of the 10 largest aid recipients and in fiscal 1963 was the recipient of the largest amount of foreign aid. If the statement is valid, then one would naturally expect India to be a growing importer of U.S. products. The following table, on the surface, indicates that our trade balance with India has increased from a favorable \$127 million in calendar year 1958 up to an estimated \$409 million in 1962:

U.S. trade with India, 1958-62

[In millions of dollars]

Calendar year	U.S. exports	U.S. imports	Trade balance	U.S. exports financed by AID and Public Law 480	Net trade excluding U.S. exports financed by AID and Public Law 480 [1-(2+4)]
	(1)	(2)	(3)	(4)	(5)
1958.....	312	185	127	204	-77
1959.....	336	209	127	247	-120
1960.....	639	230	409	454	-45
1961.....	482	255	227	298	-69
1962 (estimate).....	669	260	409	497	-88

However, if U.S. exports financed by AID and PL 480 commodities are subtracted, the net trade balance was a minus \$77 million in 1958 and our deficit trade balance with India increased to a minus \$88 million in 1962. In this one instance at least, this argument for foreign aid does not appear to be valid.

TITLE I—FOREIGN AID (MUTUAL SECURITY)

The following table covers only Title I of the bill and summarizes Committee action on the Mutual Security program as authorized by the Foreign Assistance Act of 1961, as amended. Other titles of the bill are discussed later in detail.

Item	Authorization, fiscal year 1964	Recommended for 1964	Bill compared with authori- zation (+) or (-)
Economic assistance:			
Development grants.....	\$220,000,000	\$150,000,000	—\$70,000,000
American schools and hospitals abroad.....	14,300,000	14,300,000	-----
American hospitals abroad (special foreign currency program).....	4,700,000	4,700,000	-----
International organizations and programs.....	136,050,000	100,000,000	—36,050,000
Supporting assistance.....	380,000,000	300,000,000	—80,000,000
Contingency fund.....	160,000,000	50,000,000	—110,000,000
Inter-American social and economic cooperation program.....	180,000,000	100,000,000	—80,000,000
Alliance for Progress.....	525,000,000	430,000,000	—95,000,000
Development loans.....	925,000,000	600,000,000	—325,000,000
Administrative expenses, AID.....	54,000,000	50,000,000	—4,000,000
Administrative expenses, State.....	3,025,000	2,700,000	—325,000
Subtotal, economic assistance.....	2,602,075,000	1,801,700,000	—800,375,000
Military assistance.....	1,000,000,000	1,000,000,000	-----
Total.....	3,602,075,000	2,801,700,000	—800,375,000

FUNDS AVAILABLE

In addition to the \$2,801,700,000 in new obligational authority recommended in the accompanying bill for the Mutual Security program, the Committee has reappropriated all unobligated balances on hand as of June 30, 1963. The Executive Branch also indicated that it would obligate or commit the following amounts of local currency:

Type of local currency	Estimated obli- gations or commitments
U.S.-owned.....	\$1,350,000,000
Country-owned.....	476,300,000
Total.....	1,826,300,000

The \$1,826,300,000 in foreign currencies is proposed to be allocated by areas as follows:

Area	U.S.-owned	Country-owned
Europe:		
Economic aid.....	\$8,500,000	\$12,900,000
Food for Peace Program.....	105,500,000	-----
Africa:		
Economic aid.....	1,600,000	45,900,000
Food for Peace Program.....	44,700,000	-----
Near East:		
Economic aid.....	500,000	70,000,000
Food for Peace Program.....	201,500,000	1,000,000
South Asia:		
Economic aid.....	5,600,000	17,900,000
Food for Peace Program.....	695,200,000	-----
Far East:		
Economic aid.....	9,700,000	312,000,000
Food for Peace Program.....	175,800,000	5,600,000
Latin America:		
Economic aid.....	1,500,000	9,400,000
Food for Peace Program.....	99,900,000	1,600,000
Total.....	1,350,000,000	476,300,000

UNEXPENDED BALANCES

Last year in its Report No. 2410, the Committee expressed its concern with the increasing pipeline of unexpended funds in the Foreign Aid program. The table below indicates the amount of unexpended funds on hand at the end of the fiscal year:

Fiscal year	Amount of funds in pipeline
1960.....	\$4,830,600,000
1961.....	5,975,460,000
1962.....	6,889,186,000
1963.....	7,044,715,000
1964 (projection).....	7,678,233,000

Theoretically these unexpended funds represent firm obligations for goods and services on order but not yet delivered; consequently such funds should not be available for the purchase of additional goods and services.

However, experience has shown that both programs—economic and military assistance—have been able to deobligate or dereserve funds in a magnitude that allows substantially more flexibility than what the Committee deems advisable. Such deobligations or dereservations then become available for the purchase of additional goods or services, and a substantial portion of them have been used to initiate new projects that have never been presented or justified to the Congress. The following table indicates the amount of funds that have been deobligated in the economic assistance program and dereserved or deobligated in the military assistance program:

Fiscal year	Economic assistance deobligations	Military assistance dereservations and/or deobligations	Total deobligations
1958.....	\$144,078,000	\$206,000,000	\$350,078,000
1959.....	153,260,000	222,900,000	376,160,000
1960.....	160,970,000	208,300,000	369,270,000
1961.....	169,532,000	120,600,000	190,132,000
1962.....	93,211,000	240,700,000	333,911,000
1963.....	83,019,000	250,000,000	333,019,000

¹ Authority to deobligate and reobligate funds rescinded for the Economic Assistance program only.

FISCAL YEAR 1964 PROGRAM

As mentioned earlier, the Committee is recommending an appropriation of \$2,801,700,000 to finance a mutual security program for a minimum of 100 countries and territories in fiscal year 1964. This is \$800,375,000 below the amount authorized for the year.

Last year the Committee quoted in its report an excerpt from a letter to Chairman Cannon from Secretaries Rusk and McNamara which, in effect, stated that a workable program could not be accomplished with the cuts proposed by the Committee in the FY 1962 Bill.

Again, when the Committee reported the FY 1963 Bill to the House recommending an appropriation of \$3,630,400,000, Secretary Rusk addressed a letter to Speaker McCormack which stated in part:

DEAR MR. SPEAKER: I am gravely concerned by the drastic cut of over one billion, one hundred million dollars which the Appropriations Committee has recommended in the appropriation requested by the President to conduct the foreign aid program for fiscal year 1963. * * *

The Executive also issued a statement on the action of the Committee last year, the first paragraph of which is as follows:

The drastic cut in foreign aid funds recommended by the House Appropriations Committee poses a threat to free world security.

Subsequently the Congress approved an appropriation of \$3,928,900,000, an increase of \$298,500,000 above the House Committee recommendation. As of June 30, 1963, the unobligated/unreserved funds in annual budget programs amounted to \$403,321,142. Therefore, if the House Committee recommendation of \$3,630,400,000 had been approved, the program would still have had an unobligated balance on June 30 of \$103,821,142 despite the Executive Branch's representations.

As noted above, the unobligated/unreserved funds amounted to \$402,321,142 on June 30, 1963. One of the primary reasons why this unobligated/unreserved figure is as "low" as it is, stems from the "commitment" process in the development loan appropriation accounts. Basically, the Agency commits or reserves a specified sum of money which will fully fund a loan application which has been approved technically but on which all negotiations such as repayment terms, signatures, etc., have not been yet completed. While a "commitment" is not a true obligation, the Committee has traditionally recognized a commitment as being an obligation. During the month of June the Agency "committed" \$421,075,000, or approximately 41 percent of the total funds available for development loans during the fiscal year. On Thursday, June 28, the Agency committed \$126,000,000 and on Friday, June 29, the last normal working day of the fiscal year, the Agency committed \$138,975,000, or a total in the last two normal working days of the fiscal year of \$264,975,000.

The Committee recognizes the possible necessity in some cases for committing funds prior to a firm obligation in order to insure that funds will be on hand when all necessary details of the loan negotiation are completed. However, the amount of funds that are "committed" in the last two or three working days of the fiscal year, despite the fact that the Congress appropriates this money on a 1-year availability basis, raises a question as to whether these funds are "committed" just prior to the expiration of the fiscal year in order to show as small an unobligated/unreserved balance as possible as justification for an additional appropriation of funds somewhat near the magnitude of the budget estimate for the program.

A breakdown of the "committed" but unsigned loans by fiscal years, with a further breakdown by months of the FY 1963 "commitments," follows:

Unsigned loan commitments by fiscal years

(As of June 30, 1963)

Fiscal year	Number of commitments	Amount
1960.....	1	\$33,000,000
1961.....	2	11,700,000
1962.....	3	14,000,000
1963.....	79	630,125,000
Total.....	85	688,825,000

Unsigned loan "commitments" during fiscal year 1963 (by months)

Month	Number of commitments	Amount	Month	Number of commitments	Amount
July 1962.....	1	\$2,000,000	February.....	1	\$2,000,000
August.....	1	500,000	March.....	5	47,050,000
September.....			April.....	9	54,850,000
October.....	2	14,000,000	May.....	11	76,900,000
November.....			June.....	44	421,075,000
December.....	3	5,250,000			
January 1963.....	2	6,500,000	Total.....	79	630,125,000

DEVELOPMENT GRANTS

1964 estimate.....	\$257,000,000
1964 authorization.....	220,000,000
Recommended for 1964.....	150,000,000

The development grant appropriation, according to the presentation material, provides technical assistance to help create the human resources necessary for development.

The budget proposed such assistance to 62 countries, territories, organizations, and regional programs, exclusive of programs for Latin America. In addition, development grants were programmed for such purposes as internal security, interregional expenses, ocean freight, and research. The development grant program for Latin America is discussed later under the Alliance for Progress estimate.

The Committee recommends an appropriation of \$150,000,000 for this grant aid program. This is \$70,000,000 below the amount authorized for this purpose in fiscal 1964 and reflects, in part, the Committee's action in recommending \$89,000,000, plus the unobligated funds of \$3.9 million, for the Peace Corps' expanded program in fiscal year 1964.

Of particular concern to the Committee is the practice of the Agency in initiating projects during the fiscal year that have never been justified to the Congress. During 1963 the Agency initiated 82 projects in the Far East, the Near East and South Asia, and the African Regions at a FY 1963 cost of \$17,753,000. The total cost to complete these 82 projects is presently estimated to be \$50,905,000. The detail of these projects will be found on pages 1310-1313 of Part 4 of the hearings. The Committee can understand the possible necessity of initiating projects which may have a high priority; however, it cannot understand the necessity of initiating projects which would appear to be of doubtful value or where the completion cost is of such magnitude that the Congress should have an opportunity to review such projects prior to their initiation. Examples of such projects follow:

Selected unjustified projects

Country	Project	Fiscal year 1963 cost	Total cost
Burma.....	Expansion of teak production.....	\$1,520,000	\$4,920,000
Thailand.....	Feeder road program.....	4,500,000	11,500,000
Far East Region.....	Role of women in rural development.....	75,000	75,000
Turkey.....	Support of industrial trade associations.....	43,000	125,000
Kenya.....	Expansion of secondary education.....	55,000	1,283,000
Central African Republic.....	Audiovisual equipment.....	41,000	71,000
Africa Regional.....	Graduate scholarship program.....	100,000	2,100,000

The firmness of some of the project estimates under this program has been discussed previously. A few additional projects are discussed below:

Pages 391-393 of Part 3 of the hearings include a discussion of the annual cost of \$4,000 (total cost for the 4-year college course is \$16,000) to train 100 Cambodian students to be teachers.

Pages 380-381 of Part 3 of the hearings contain a discussion of the fact that the United States proposes to furnish over \$3,000,000 in commodities under the Development Grant appropriation for resale to generate Cambodian currency to finance the local costs of our development grant projects in this country because Cambodia will not support our projects with her own currency.

Page 771 of Part 3 of the hearings indicates that our aid program to the UAM countries in Africa is not for assisting their economic growth but is for political reasons.

In connection with the Water Resources Development Project in Upper Volta (pages 779 and 780 of Part 3):

Mr. PASSMAN. How do you arrive at this estimate that you will need \$775,000 for the project proposed for 1964 to cost \$3 million upon completion? Is it just one of these hit and miss propositions to make up the total of all requests to equal what the President requested? Is there any information by which you could justify this particular figure?

Mr. HUTCHINSON. I must in all honesty say, Mr. Chairman, it does not seem to be in the book. * * *

Last year AID requested \$715,000 to terminate the Blue Nile River Basin project in Ethiopia. The following excerpt is from page 900 of Part 3 of the hearings:

Mr. PASSMAN. * * * Last year I believe you estimated you would need \$715,000 to terminate the project.

Mr. HUTCHINSON. Yes, sir.

Mr. PASSMAN. Subsequent to the hearings, you obligated \$967,000?

Mr. HUTCHINSON. Yes, sir.

Mr. PASSMAN. Which is \$252,000 more than you requested. Now we find out, in addition to obligating the additional \$252,000, you want another \$340,000 to complete the project in fiscal year 1964.

Mr. HUTCHINSON. That is right. * * *

Pages 1042 and 1043 of Part 3 of the hearings contain information on the Educational Planning project in Nigeria. According to the

data furnished for the record, the project financed the costs of 16 Nigerian educators to make a study of education in Sweden, France and the United States. The total obligations for the trip were \$67,100, of which \$24,600 was for travel and \$42,500 for subsistence and other costs. The group spent 21 days in France, 21 days in Sweden and 26 days in the United States. The average daily cost of the trip, exclusive of travel, was approximately \$39 per day per individual.

The following colloquy is from page 1435 in connection with the Public Administration project in Jordan:

Mr. PASSMAN. What is the average annual salary of the six U.S. technicians under the public administration project, on page 187?

Mr. GAUD. I am worried about that one.

Mr. PASSMAN. So am I.

Mr. GAUD. I want to check it. It looks too high.

Mr. PASSMAN. It surely does.

In connection with the Technical Support project in Nepal, the Committee ascertained that there are 90 AID employees in this country and that the agency has a total of 118 official vehicles, of which there are 4 sedans and 86 jeep station wagons, apparently 1 car or station wagon for each AID employee.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

1964 estimate.....	\$20,000,000
1964 authorization.....	14,300,000
Recommended for 1964.....	14,300,000

This is a new appropriation item in the foreign aid program. In the past, funds have been made available to American-sponsored schools and hospitals abroad from the Development Grant appropriation.

The table below indicates the various schools and hospitals that received grant aid in the past two fiscal years and the proposed program for fiscal year 1964:

American sponsored schools and hospitals abroad

	Fiscal year 1962	Fiscal year 1963	Pending fiscal year 1964
American University of Beirut.....	\$4,500,000	\$1,950,000	\$2,000,000
American University of Beirut (Medical Center).....			¹ 11,500,000
American University in Cairo.....	70,000	495,451	² 150,000
Robert College.....	300,000	850,000	2,000,000
Athens College.....	220,000	265,500	100,000
Pierce College.....	611,000	600,000	600,000
Anatolia College.....	90,000	227,000	200,000
American Farm School.....	95,500	284,000	75,000
Escuela Agrícola Panamericana.....	114,000	300,000	300,000
Project Hope.....			1,600,000
Polish Children's Hospital.....			³ 2,200,000
Total.....	6,000,500	4,971,951	20,725,000

¹ This item tentative, pending Agency review of site team evaluation.

² Plus \$790,000 in U.S.-owned Egyptian pounds.

³ Plus \$3,900,000 U.S.-owned zlotys.

The Committee recommends the appropriation of \$14,300,000, the amount authorized for this purpose in FY 1964.

AMERICAN HOSPITALS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

1964 estimate.....	\$2,000,000
1964 authorization.....	4,700,000
Recommended for 1964.....	4,700,000

The recommended appropriation of \$4,700,000 includes \$3.9 million for the purchase of excess foreign currency (Polish zlotys) owned by the Treasury to finance completion of the U.S.-sponsored children's hospital in Krakow, Poland, which is being built under the auspices of the American Research Hospital in Poland, Inc.

The hospital, about one-third finished at the time of the hearings, will have two pediatric clinics and one surgical clinic along with research and teaching facilities. Construction is being carried out by a Polish agency according to plans and specifications originally prepared under the supervision of the Cooperative for American Relief Everywhere (CARE). It is hoped to complete the hospital by June 1964, to coincide with the 600th anniversary of the establishment of the University of Krakow.

In addition to this appropriation, the hospital is programmed to receive \$2,200,000 for imported equipment which is included in the estimate of \$20,000,000 for American Schools and Hospitals Abroad, which has been discussed previously.

The balance of the appropriation, \$800,000, is to purchase Egyptian pounds for use at the American University in Cairo.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1964 estimate.....	\$136,050,000
1964 authorization.....	136,050,000
Recommended for 1964.....	100,000,000

The Budget proposed a voluntary contribution to the following 8 organizations:

Summary of proposed fiscal year 1964 contributions

Program	1964 estimate
1. UNTA and Special Fund.....	\$55,000,000
2. UN Economic Assistance to the Congo.....	5,000,000
3. UN Relief and Works Agency for Palestine Refugees.....	17,200,000
4. UN Children's Fund.....	12,000,000
5. FAO World Food Program.....	2,000,000
6. IAEA Operational Program.....	1,250,000
7. WHO Special Programs.....	500,000
8. Indus Waters.....	43,100,000
Total.....	136,050,000

Subsequent to the Agency's presentation and testimony before the Committee on July 29, the Agency voluntarily reduced its estimate for the Indus Waters project by \$12,800,000 (down to \$30,300,000) and added one new program as follows:

U.N. Peacekeeping Operations:

A. Voluntary contribution for the period July-December, 1963.	+\$2,140,000
B. Voluntary contribution for calendar year 1964 (tentative)...	+1,700,000

In effect, the revised estimate for this appropriation item is now \$127,090,000, which, on a comparable basis with last year's appropriation of \$148,900,000, is an increase of approximately \$19,915,000

inasmuch as several programs that were funded by this item last year are now being funded by other appropriations contained in the bill.

The Committee recommends an appropriation of \$100,000,000 for this item, which is \$36,050,000 below the amount authorized for this year.

There are several programs contained in this appropriation estimate that are of concern to the Committee. The first program is the U.N. Technical Assistance and Special Fund, for which \$55,000,000 is being requested. At present, Section 301(b) of the Foreign Assistance Act of 1961, as amended, states:

SEC. 301(b). Contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund for the calendar years succeeding 1961 may not exceed forty percentum of the total amount contributed for such purpose (including assessed and audited local costs) for each year.

The following table shows that while the U.S. percentage contribution has remained constant at 40 percent since 1959 the dollar contribution has been increasing by approximately \$7,000,000 a year:

Year	Percent	U.S. contribution
1958.....	45	\$14,000,000
1959.....	40	22,000,000
1960.....	40	30,300,000
1961.....	40	37,500,000
1962.....	40	44,700,000
1963 (estimate).....	40	51,200,000

At the same time the United States Technical Cooperation program (now Development Grants) has increased from \$113,000,000 in 1958 up to \$225,000,000 in 1963. Also, the Congress created the Peace Corps in 1961 with an initial appropriation of \$30,000,000 and the budget estimate for fiscal year 1964 is \$108,000,000. This substantial and increasing financial effort by the United States on a bilateral basis in the technical assistance field does not appear to warrant an increasing dollar contribution to the U.N. technical assistance program and the Committee suggests that every effort should be made to reduce our percentage contribution to this program.

The second program under this estimate that is causing the Committee some concern is the FAO World Food Program, for which the fiscal year 1964 estimate is \$2,000,000, plus \$16,500,000 in surplus agricultural commodities. Last year Secretary of Agriculture Freeman appeared before the House Agriculture Committee requesting authorization under Public Law 480 to participate in the proposed World Food Program. An excerpt from his statement follows:

In order that our food-for-peace program can be made more effective, the bill provides a new title V to promote multi-lateral programs for food aid by authorizing the President to negotiate and carry out agreements with international organizations and other intergovernmental groupings involving grants of agricultural commodities.

The House Committee did not approve this recommendation, and subsequently it was determined that this new program could be initiated under existing authority. Later during the same session the Assistant Secretary of State for International Affairs, Harlan Cleveland, appeared before the Appropriations Subcommittee on Foreign Operations and made the following statement:

Mr. CLEVELAND. We will be back up here consulting with you when the plans for this program are a little further along because there may be a need for some aid funds for this program for the fiscal year 1963 period.

This year the Committee ascertained that as of June 30, 1963, the Agency had obligated \$1,638,096 plus \$2.5 million in surplus commodities for the program in fiscal year 1963 without any justification or the promised consultation for the program or for the expenditure of funds.

The third program which is of concern to the Committee is the Indus Waters project, for which the revised estimate is now \$30,300,000. Two years ago in its report on the FY 1962 appropriation bill the Committee stated in connection with this project:

The United States contributed \$6,800,000 in grant aid to the project during fiscal 1961 and also made a DLF loan of \$70,000,000 to Pakistan for the project. The Committee points out that the United States has agreed to participate in the project prior to (1) the establishment of firm cost estimates for the different phases of the project, and (2) an arrangement for the sharing of costs in the event actual construction costs exceed the estimate of \$1,064,000,000.

Such haste to commit the United States taxpayer to the expenditure of over half a billion dollars without recognition of the potential cost illustrates the kind of thing that can happen when commitments are made prior to full review and approval.

The Committee's statement of concern of two years ago was well warranted as the testimony from this year's printed hearings indicates. This excerpt relates to the present revised estimate:

Mr. PASSMAN. Can you give us an estimate as to what it is going to cost the American taxpayer to finally meet our commitments?

Mr. FARR. The plan now under consideration would mean that all of the contributing governments, including the World Bank, will not have to contribute more than an additional \$—— hundred million * * *.

The following excerpt relates to the lack of firm cost estimates at the time the project was originally approved:

Mr. FARR. * * * The \$482 million worth of dollars and Pakistan rupees, which the United States agreed to contribute, was a contribution toward replacement and some development. At that time, back in 1960, the cost estimates which were pretty terrible we will all agree, indicated that this amount of money would pay for the replacement works

and, in addition, would pay for some tube wells and a dam on the Indus.

Now, it has turned out that this \$895 million will not come anywhere near paying for all this.

The following excerpt relates to the project as presently authorized and funded:

Mr. PASSMAN. What do we get?

I am speaking about the recipients of the expenditure, if we stop at \$895 million, the original figure considered?

Mr. FARR. We would get the replacement works, but only two-thirds finished.

SUPPORTING ASSISTANCE

1964 estimate	\$435, 000, 000
1964 authorization	380, 000, 000
Recommended for 1964	300, 000, 000

Supporting assistance, according to data contained in the Summary Presentation, is that part of the economic aid program which is directed primarily toward meeting immediate political and security objectives.

The budget proposed a program funded by this appropriation for 18 countries and the CENTO organization for the following purposes:

(a) Support for common defense (Korea, Thailand, Turkey, Vietnam and CENTO)	\$256, 000, 000
(b) Maintenance of economic stability (6 countries)	114, 000, 000
(c) An alternative to Bloc aid (5 countries)	51, 000, 000
(d) Access to U.S. military bases (Libya, Trinidad and ———)	24, 000, 000

Total	445, 000, 000
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In addition to this Supporting Assistance program, the Budget proposed other economic and military assistance programs which amount to a minimum of \$954,398,000 for the same 18 countries and CENTO.

The Committee recommends an appropriation of \$300,000,000 for the Supporting Assistance program for fiscal year 1964. This is \$80,000,000 below the amount authorized for the current fiscal year.

In connection with the Supporting Assistance estimate which is to provide access to military bases in Libya, Trinidad, and ———, the Committee is of the opinion that this portion of the estimate in future years should be budgeted under the Department of Defense appropriation estimates.

A practice that is causing concern to the Committee is the extending of supporting assistance grant aid to countries that are more or less in a financial straight jacket trying to pay off their debts to Bloc countries. The following testimony from page 729 and 730 of Part 3 of the printed hearings is pertinent:

Mr. MONTOLA. I want to expedite this because I have to go and vote, but you do mention that Guinea is more or less in a straightjacket because of the previous loans Russia has extended to that country?

Mr. HUTCHINSON. They do have heavy debt-servicing burdens.

Mr. MONTOYA. Then are we supposed to use our dollars to extricate Guinea from that situation?

Mr. HUTCHINSON. We hope to provide them some ability to get them somewhat extricated.

Mr. MONTOYA. Is this not a new concept?

Mr. HUTCHINSON. This is a concept that is most appropriate, it seems to me.

* * * * *

Mr. MONTOYA. They are using their revenues for repayment of the Russian debt and we are giving them supporting assistance?

Mr. HUTCHINSON. In their requirements for imports, in small amounts, with the full expectation that this is a short-term arrangement.

An example of the types of projects financed by this appropriation is the Khmer-American Friendship Highway in Cambodia. According to the testimony the original estimate of cost of this project was \$15,000,000. A contract for construction was awarded on May 5, 1955, at a cost of \$18,000,000. By the time the highway was completed in June 1959, the cost had risen to approximately \$30.9 million. Immediately after completion of construction portions of the highway began to deteriorate, and since that date the United States has obligated a total of \$13.4 million for repairs with an additional cost of approximately \$1.2 million in fiscal year 1964 and future years. Thus, the total cost of this project is now estimated to be \$45.5 million, an increase of over 300 percent in the original estimate.

Another practice of the AID agency that causes the Committee some concern is the practice of committing millions of dollars to a Government or a project. While the Committee recognizes the value to the United States of honoring its commitments, it questions whether these commitments should hold firm despite a change in government—legally or illegally, or a lack of desire on the part of the recipient government to cooperate in the successful liquidation of the commitment. For example, the President in 1959 committed the United States Government to finance the Rangoon-Mandalay Highway project in Burma at a cost of \$28,000,000. Since that date expenditures have been as follows:

Fiscal year	Expenditure
1960.....	\$541,000
1961.....	127,000
1962.....	212,000

In fiscal year 1963 AID obligated approximately \$9,100,000 for the project and the estimate for 1964 is \$19,000,000 on the assumption that AID can reach agreement on engineering questions on a particular segment of the highway. Obviously, the 1964 estimate is still not firm. Anticipated expenditures in fiscal year 1964 are approximately \$1,800,000.

CONTINGENCY FUND

1964 estimate.....	\$300,000,000
1964 authorization.....	160,000,000
Recommended for 1964.....	50,000,000

Section 451(a) of the Foreign Assistance Act of 1961, as amended, provides:

There is hereby authorized to be appropriated to the President for the fiscal year 1964 not to exceed \$160,000,000 for use by the President for assistance authorized by Part I in accordance with the provisions applicable to the furnishing of such assistance, *when he determines such use to be important to the national interest.* [Italic supplied.]

For fiscal year 1964 the Committee recommends an appropriation of \$50,000,000 for this purpose. In addition, the Committee has deleted the proposed budget language which would have returned to the Treasury on June 30 the unobligated balance of \$127,098,666 of the FY 1963 Contingency Fund appropriation. In effect, the Committee has made available to the President a total of \$177,098,666 as a contingency fund for the Foreign Aid program in FY 1964.

In addition to this contingency fund there are two other sections in the authorization act which give the President sufficient authority and additional funds to meet unexpected emergencies important to the national interest which may arise during the balance of this fiscal year. The first is section 510, which gives the President the authority to order not to exceed \$300,000,000 in defense articles and services from the Department of Defense whenever he deems it vital to the national security of the United States. The second provision of law is section 610, which gives the President the authority to transfer up to 10 percent of any appropriation contained in this bill to any other appropriation in the bill.

The Committee has noted that the President obligated only \$149,197,327 of the \$250,000,000 appropriation for the fiscal year 1963 contingency fund. However, the Committee cannot reconcile the obligation of \$105,250,000 during fiscal year 1963 to assist countries to take remedial measures to restore internal and external fiscal stability with the purpose of the contingency fund which is to provide a source of funds for the President to meet unforeseen emergencies in the world which are important to the national interest. The following table lists the countries and the amounts they received for this type of assistance:

Country	Amount	Purpose
Argentina.....	\$20,000,000	Balance of payments.
Brazil.....	25,500,000	Do.
Dominican Republic.....	23,750,000	Create a special economic readjustment fund.
Ecuador.....	7,000,000	Budget support.
Honduras.....	2,000,000	Do.
UAR (Egypt).....	10,000,000	Stabilization purposes.
Indonesia.....	17,000,000	Balance of payments.
Total.....	105,250,000	

Of particular concern to the Committee is the \$17,000,000 loan to Indonesia for balance of payments purposes which was obligated on March 7, 1963. The day before the obligation was recorded Indonesia announced the purchase of 3 luxury American jet aircraft for its deficit-ridden airline at a cost of \$20 million, payable in hard currency, one-half the purchase price being due on or before January 1, 1964.

In connection with the allocation of \$7,000,000 to Ecuador for budget support purposes, the following colloquy from page 2450 of the hearings raises a question as to the need of Ecuador for a cash grant from the Contingency Fund:

Mr. PASSMAN. How much have you disbursed on this allocation? You only made it in fiscal year 1963.

Mr. MOSCOSO. \$5 million.

Mr. PASSMAN. You did not justify it, did you?

Mr. MOSCOSO. No, sir; it came from the Contingency Fund.

Mr. PASSMAN. When did you credit the funds to Ecuador?

Mr. MOSCOSO. This was signed in September 1962.

Mr. PASSMAN. That is just about the same month——

Mr. MOSCOSO. They received the first amount on November of 1962, the \$3 million.

Mr. PASSMAN. That is the same quarter in which they purchased \$3.2 million of our gold, is it not?

Mr. MOSCOSO. Yes, sir.

Last year the Committee commented in its report on June obligations made under the fiscal year 1962 Contingency Fund, noting that of June obligations of \$87,959,000, obligations on Saturday, June 30, amounted to \$38,366,000. This year in connection with the fiscal year 1963 Contingency Fund, June obligations were \$51,487,000, of which \$16,810,000 was obligated on Friday, June 28, the last normal working day of the fiscal year, \$724,000 was obligated on Saturday, June 29, and \$2,932,000 was obligated on Sunday, June 30, the last day of the fiscal year.

INTER-AMERICAN SOCIAL AND ECONOMIC COOPERATION PROGRAM

1964 estimate.....	\$200,000,000
1964 authorization.....	180,000,000
Recommended for 1964.....	100,000,000

The Budget proposed an appropriation of \$200,000,000 for this program which would be allocated as follows: \$195,500,000 for loans under the Social Progress Trust Fund, which is administered by the Inter-American Development Bank under a trust agreement between the United States and the Bank; and \$4,500,000 to carry forward special projects of the Organization of American States.

The initial appropriation of \$500,000,000 for this program was approved on May 27, 1961, and the table below indicates the status of the appropriation as of June 30, 1963:

Item	Allocation	Unobligated balance	Unexpended balance
Pan-American Union (OAS).....	\$6,000,000	\$100,000	\$2,300,000
Social Progress Trust Fund.....	394,000,000	37,000,000	339,500,000
ICA/AID development grants.....	100,000,000	1,500,000	54,700,000
Total.....	500,000,000	38,600,000	396,500,000

The United States is the sole provider of capital of the Trust Fund, which is a Mutual Security Program source of dollar loans repayable in the borrower's currency. The interest rate on the loans is 1½ percent, except for loans for water which are normally 2¾ percent, plus a service charge of ¾ of one percent which is payable in dollars.

As of June 30, the Trust Fund had made 64 loans as follows:

Number of loans	Purpose	Amount
19.....	Housing.....	\$157,000,000
20.....	Water supply and sanitation.....	112,000,000
19.....	Improved land use and settlement.....	67,000,000
6.....	Advanced education.....	13,000,000
Total (64).....		349,000,000

The Budget proposed that \$195,500,000 be made available to the Trust Fund in fiscal year 1964 for the same types of loans as indicated in the above table.

The Pan American Union (OAS) was allocated \$6,000,000 of the 1961 appropriation which has been utilized in the following manner:

Field studies and meetings.....	\$2,228,616
Technical advisory missions.....	3,171,384
Overhead.....	600,000
Total.....	6,000,000

The Budget proposed that \$4,500,000 be made available to the OAS in fiscal year 1964 for the following purposes:

Panel of Nine.....	\$1,200,000
Planning teams.....	1,300,000
General Studies and Technical meetings.....	1,700,000
Overhead.....	300,000
Total.....	4,500,000

In addition to the testimony on this program, the Committee considered the following factors in connection with this estimate: (1) the Congress created the 4-year Alliance for Progress program last year and provided an initial appropriation of \$525,000,000, and that the Congress has authorized an additional appropriation of \$525,000,000 to the Alliance for fiscal 1964; (2) the Congress has authorized an appropriation of \$450,000,000 for the Inter-American Development Bank, and over the past 3 years has appropriated the entire amount, and it is being requested to authorize and approve this year an additional contribution of \$50,000,000 to the Bank; and (3) other financial institutions such as the Export-Import Bank, the World Bank, the International Development Association, and the U.N. organizations are also providing financial assistance in Latin America. Therefore, the Committee recommends an appropriation of \$100,000,000 be approved for this program. This is \$80,000,000 below the amount authorized for the program this fiscal year. The Committee is of the opinion that all future budget estimates for United States assistance to Latin America should be presented to and considered by the Congress under the Alliance for Progress program rather than on a piecemeal basis. It also feels that such assistance should be channeled through the administered solely by an agency of the United States Government.

ALLIANCE FOR PROGRESS

1964 estimate.....	\$650, 000, 000
1964 authorization.....	525, 000, 000
Recommended for 1964.....	430, 000, 000

The Budget proposal for the Alliance for Progress program is as follows:

Development loans.....	\$550, 000, 000
Development grants.....	100, 000, 000
Total.....	650, 000, 000

In addition, the Budget also proposed \$17,700,000 in Supporting Assistance and \$77,262,000 in Military Assistance for the Latin American area.

Section 251(a) of the Foreign Assistance Act of 1961, as amended, states in part the following:

* * * It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. * * *

Section 251(b) states in part the following:

* * * In furnishing assistance under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; * * *

Last year in its report on the Alliance for Progress appropriation, the Committee stated:

One of the many factors that encouraged the Committee to recommend funds last year for the Inter-American Social Progress Fund was the assurance that before aid would be given, there would have to be specific programs worked out accompanied by basic legislation and institutional reforms in such matters as tax structure, land tenure, and legal procedures. To say the least, the Committee is disappointed with the minimal progress that has been made to date in these fields.

This year, based on the testimony and other data, the Committee again points out that very little progress has been made by the recipient nations of Alliance for Progress financial assistance toward meeting the very laudable objectives of the Act of Bogotá, the Charter of Punta del Este, and section 251 of the Foreign Assistance Act of 1961, as amended.

The following statements are excerpts from pages 118-125 of the Second Annual Report of the Inter-American Development Bank in connection with its administration of the Social Progress Trust Fund. The comments also apply, in the Committee's opinion, to the criteria

established for financial assistance under the Alliance for Progress program:

Personal income taxes are now levied in almost all Latin American countries. These are generally based on the *cedular* system, whereunder the varying rates depend on sources of income. While these taxes are comparatively high in a number of countries, the inadequacy of the tax collection systems often reduces receipts.

* * * * *

There has, however, been little significant progress in real property taxation.

* * * * *

In the area of improved utilization of public resources, for several years most Latin American governments have endeavored to channel a large share of their investments and allocations into activities related to various phases of economic development and social well-being. However, it is fairly well known that several have devoted an important share of their tax revenues to national defense and have also directed a considerable portion into costly public works and other unproductive outlays. Although this tendency still persists, much progress appears to have been made in recent years.

* * * * *

In general, the Latin American countries have not succeeded in channeling private resources, particularly those of high-income groups, into economic and social development.

* * * * *

In connection with the need for reforms and self-help in "land settlement, improved land use and tenure," the Report states:

During 1960-61, according to reports of the United Nations Food and Agricultural Organization (FAO), Latin American agricultural production declined approximately 2% and food production dropped below that of the previous year when there had also been declines relative to the prior year. There are no statistics showing any appreciable improvement in rural income levels; indications are to the contrary, showing that, as a result of economic and demographic factors, most *campesinos* are now in a worse plight than they were a few years ago. The backwardness of the agrarian sector continues to represent the principal obstacle to Latin American growth and is the major cause of social and political tensions and of many of the region's economic problems.

Until recent years, much of the Latin American governmental effort with respect to distribution of farm-land ownership went into land settlement and distribution programs on government-owned property and on large estates purchased by the governments at market prices. In few instances, however, did the settlers receive the subsequent technical and financial assistance needed to improve their production levels

and incomes, and thus the progress achieved in this type of program has usually been slow and excessively costly.

* * * * *

There have been two different approaches to rural settlement: (1) the high-cost small-scale "model projects" of rural settlements made during the past decade, and (2) the development of voluntary or "spontaneous" settlements encouraged in many places. The "model projects" are carefully planned and directed, while the latter have usually received very little governmental assistance. There have been a large number of plans designed to alter the conditions of land tenure in the Americas, but their economic and social scope has generally been comparatively slight and very expensive.

In summary of its comments on the overall institutional progress made by the Latin American countries, the Second Annual Report states:

** * * it must be noted that the mere preparation of a law or the creation of an agency does not automatically bring about an immediate solution of existing problems, and that some time must elapse before any definitive results can be expected. The progress in the various countries has been unequal and, while some countries have made fundamental changes, political, economic and social factors in others have delayed accomplishment of the institutional reforms needed in order to accelerate the growth process. [Italic supplied.]*

The Committee supports the Alliance for Progress and recognizes the urgent need for the program. At the same time the Committee recognizes that actions speak louder than words and the Committee can only reiterate and paraphrase the statement quoted above:

"the mere preparation of a law or the creation of an agency" does not meet the criteria of self-help and reform measures that qualify a country for financial assistance from the United States.

Another factor that is causing some concern to the Committee is that the Alliance for Progress program is predicated upon the economic and social development of the participating Latin American countries through democratic societies. Since the Act of Bogota (September, 1960), the following six countries have experienced political upheaval:

Argentina (March, 1962)	Ecuador (July, 1963)
Peru (July, 1962)	Dominican Republic (Sept., 1963)
Guatemala (March, 1963)	Honduras (October, 1963)

The Budget proposed grant aid for all six of the above governments. However, the Committee notes that Secretary Rusk has recently announced the suspension of military and economic aid to the Dominican Republic and Honduras.

The following statement of the U.S. Coordinator for the Alliance for Progress program, Theodoro Moscoso, with reference to the attitude of some of the heads of government in Latin America has caused the Committee some concern:

Mr. Moscoso. Even when they recognize it, sometimes they decide for political reasons they may not want to be associated too much with the fact the United States is giving them assistance.

The following are excerpts from Part 4 of the printed hearings relating to testimony on the proposed fiscal year 1964 program and also prior year programs:

Page 2176, in connection with a Contingency Fund obligation:

Mr. FORD. I am looking at this list of contingency fund obligations in fiscal 1963. There is one here, May 2, to Brazil, for \$25,500,000. Is that the one you were mentioning earlier?

Mr. Moscoso. That is right.

Mr. FORD. That was a gratuity based on past performance, is that right?

Mr. Moscoso. That is right, and on the expectation that there would be a stabilization program.

Page 2196, in connection with a development loan approved on July 1, 1962:

Mr. PASSMAN. So far as the Congress is concerned, and the American taxpayers, you had actually obligated \$12,500,000 for the purpose indicated in the books, prior to the time the Argentine Government had enacted legislation and set up the organization to create these building and loan associations?

Mr. Moscoso. Yes.

Page 2332, in connection with a Central American Regional project in Higher Education:

Mr. PASSMAN. What if you finish the project in the manner that you started it? You asked for \$435,000, but you allocated \$1,533,000. Then you are asking for an additional \$2,712,000. You have missed your estimate here by 300 percent. If you miss the total cost by the same figure, you are running into a very expensive project, are you not? Would this \$4 million be in addition to the \$4 million you are asking?

Mr. STERNFELD. Yes, sir; \$4 million is in addition to the \$4 million we are asking here.

Mr. PASSMAN. That brings the cost up to \$8 million?

Mr. STERNFELD. \$8 million.

Page 2347, in connection with our aid program in Costa Rica:

Mr. ANDREWS. If you took the aid we gave them last year, \$13 million, and spread that out among the 1.3 million people, each would get \$10 apiece.

So we are giving them more than twice what they are paying in income taxes.

Last year the Congress appropriated \$425,000,000 for development loans and \$100,000,000 for development grants under the Alliance for Progress program. The testimony this year indicates that as of June 30 the development loan appropriation had an unobligated

balance of \$92,017,879 and that the development grant appropriation had an unobligated balance on June 30 of \$4,326,845 (exclusive of \$10,000,000 transferred during the year to the 1963 Supporting Assistance appropriation). Testimony further indicated that as of June 30, 1963, there was an unliquidated balance of approximately \$1,983,000,-000 in the Latin America area from the 16 spigots of foreign aid.

Under the Development Grant appropriation discussed earlier, the Committee commented on the practice of the Agency in initiating projects which had never been presented to or justified to the Congress. Under the development grant portion of the Alliance for Progress, AID initiated 49 projects in FY 1963 at a cost of \$17,337,000. The total cost of these 49 projects from inception to completion is presently estimated to be \$38,678,000. A listing of these so-called high priority projects is found on pages 1307-1310 of Part 4 of the printed hearings.

Taking all factors into consideration in connection with this estimate, the Committee recommends an appropriation of \$430,000,000 for the Alliance for Progress program in fiscal year 1964. Also, the Committee again recommends that these funds be made available as two funds: \$350,000,000 for loans and \$80,000,000 for development grants.

DEVELOPMENT LOANS

1964 estimate.....	\$1, 060, 000, 000
1964 authorization.....	925, 000, 000
Recommended for 1964.....	600, 000, 000

The Budget proposed a development lending program, exclusive of the Latin American area, of \$1,160,230,000. This proposed program is composed of the following elements:

New obligational authority.....	\$1, 060, 000, 000
Carry-over of prior year appropriations.....	71, 398, 000
Deobligations during the fiscal year.....	25, 832, 000
Loan receipts.....	3, 000, 000

Total.....	1, 160, 230, 000
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Included in the appropriation estimate of \$1,060,000,000 in new obligational authority was an unprogrammed amount of \$52,000,000, of which \$32,000,000 was in the Latin American area and \$20,000,000 was in the Near East and South Asia area. The Assistant Administrator for the Near East and South Asia area characterized this portion of the estimate for his area as a "contingency fund."

The Committee recommends an appropriation of \$600,000,000 for development loans in FY 1964.

Since fiscal year 1958 when the development loan program was initiated, the Congress has made available the following appropriations:

Fiscal year	Estimate	Appropriation
1958.....	\$500, 000, 000	\$300, 000, 000
1959.....	850, 000, 000	550, 000, 000
1960.....	700, 000, 000	550, 000, 000
1961.....	850, 000, 000	600, 000, 000
1962.....	1, 200, 000, 000	1, 112, 500, 000
1963.....	1, 250, 000, 000	975, 000, 000
Total.....	5, 350, 000, 000	4, 087, 500, 000

The original Development Loan Fund was in operation from FY 1958 thru November 3, 1961, and made dollar loans which were repayable in dollars and/or local currency. During its existence the DLF made 217 loans and commitments and 3 guarantees amounting to \$2,008,500,000. As of June 30, 1963, loan repayments and interest collected totaled \$170,696,330. All of the repayments, dollars and local currency, are credited to the U.S. Treasury and are not available for further lending.

The new A.I.D. development lending program initiated on November 3, 1961, has had total appropriations of \$2,087,500,000. As of June 30, 1963, it had made 126 loans totaling \$2,033,700,000. To date no principal repayments have been made. Interest and credit fees collected to date under the new development lending program total \$2,018,746. Such payments are deposited into a revolving fund and continue available for further lending.

All development loans are now repayable in dollars, and most of the loans are very long term (30-40 years), carry a $\frac{3}{4}$ of one percent credit fee in lieu of interest, and provide a grace period of up to 10 years prior to commencement of repayment. The recently enacted authorization bill, however, now provides for a service charge of $\frac{3}{4}$ of one percent per annum for the first 10 years and an interest rate of at least two percent per annum thereafter to maturity on all loans made after approval of the Foreign Assistance Act of 1963.

While the Agency appears to be making some effort to harden the terms of the loans, the number of countries in which the policy is in effect is minimal. In addition, the Committee has noted from the testimony and data supplied that while the United States is extending what amounts to a subsidized loan—as Administrator Bell stated: each loan is “perhaps two-thirds grant and one-third loan”—other free world and Bloc countries are extending their development loans on much harder terms. For example, the following table indicates the terms of loans extended to India by other countries during fiscal years 1962 and 1963:

Loans to India from countries other than the United States

[Dollars in millions]

Country—Free World	Loan value	Date authorized	Interest rate (percent)	Grace period (years)	Maximum maturity (years)
UNITED STATES FISCAL YEAR 1962					
West Germany:					
Balance of payments.....	\$42.50	Sept. 14, 1961.....	3.....	7.....	20.
Rourkela refinancing ¹	21.30	May 4, 1962.....	5½.....	4.....	13.
Commodity aid.....	25.00	June 29, 1962.....	3.....	7.....	20.
United Kingdom:					
Capital goods.....	14.00	Nov. 10, 1961.....	Treasury rate +¼.	6½.....	25.
Do.....	28.00	May 23, 1962.....	do.....	7.....	25.
Durgapur expansion.....	61.60	do.....	do.....	7.....	25.
Japan: General loan.....	80.00	Aug. 18, 1961.....	6.....	5.....	15.
France: 3d plan loan, I.....	30.00	Feb. 5, 1962.....	5.....		10.
Italy: Petroleum projects ²	45.00	Aug. 29, 1961.....	6.....		12.
Canada: 3d plan projects.....	³ 10.60	Sept. 22, 1961, Jan. 19, 1962.	6.....	Up to 5.....	15 to 20.
UNITED STATES FISCAL YEAR 1963					
West Germany:					
Maintenance support.....	18.75	Dec. 12, 1962.....	3.....	7.....	20.
Rourkela rehabilitation.....	14.00	do.....	3.....	7.....	20.
Projects.....	26.75	do.....	6½ ⁴	5.....	15.
Do.....	20.50	do.....	3.....	7.....	20.
Development banks.....	12.50	do.....	5½.....	5.....	20.
Rourkela expansion.....	100.00	Apr. 25, 1963.....	5½.....	5.....	20.
Rourkela refinancing ¹	15.35	do.....	5½.....	4.....	13.
United Kingdom:					
Capital goods.....	14.00	Sept. 4, 1962.....	Treasury rate +¼.	7.....	25.
Do.....	36.40	do.....	do.....	7.....	25.
Steel, etc.....	9.80	Apr. 9, 1963.....	do.....	7.....	25.
Japan: Textile machinery.....	10.00	July 20, 1962.....	6.....		10.
France:					
3d plan loan, II.....	20.00	Nov. 19, 1962.....	5.....		10.
Industrial Finance Corp.....	10.00	do.....	6.....		13.
Italy: Madras Aluminum ²	8.80	Nov. 7, 1962.....	6.....	5.....	12.
Austria: Capital goods.....	5.00	Nov. 23, 1962.....	6.....	2.....	12.
Canada: 3d plan projects.....	³ 14.40	Oct. 15, 1962.....	6.....	Up to 5.....	15 to 20.
Belgium: Capital goods.....	10.00	(⁴).....	(⁴).....		10 to 12.
Switzerland: Capital goods.....	11.40	July 13, 1962.....	Discount rate plus ¾.	?	10.

¹Original loan for Rourkela steel mill of about \$157 million made in 1958 was for 3 years. This is being refinanced for longer periods as portions of the credit come due. Original credit loans and refinancings should not be added together since they represent essentially the same credit.

²Part of a general agreement signed Aug. 29, 1961, for extension of credits up to \$96,000,000. Latter figure represents a commitment but not an actual loan.

³Canadian loans given in Canadian dollars, which are worth a little less than U.S. dollars. The total for the 2 years (Canada, \$25,000,000 or about United States, \$23,100,000) is believed correct, but the division between U.S. fiscal year 1962 and U.S. fiscal year 1963 is estimated. Canada has also given India substantial grant aid (\$36,000,000 for 2 years, April 1961 to March 1963) as part of its consortium commitment.

⁴Rate charged by bank consortium which advanced the funds. It is expected that the German Government will subsidize the interest payments, reducing the rate to about 5¾ percent.

Not available.

In comparison with the terms of the loans as indicated above the United States extended 8 loans to India during FY 1963 with a total value of \$396,100,000, carrying a maturity date of 40 years, a 10-year grace period, and only ¾ of one-percent service charge.

United States development loan assistance to Pakistan is no different than such assistance to India. Other nations get good solid banking loans, and the U.S. seems to get what's left, as indicated in the table below which includes the consortium pledges and loan terms for for the second and third years of Pakistan's second 5-year development plan:

Consortium pledges and loan terms for second and third years (fiscal years 1962 and 1963) of Pakistan's second 5-year plan

Consortium member	Total pledge (Millions of dollars or equivalents)	Interest rate (per cent)	Grace period (Years)	Duration (Years)
United States.....	\$500			
AID grants.....	(23)			
AID loans.....	(427)	$3\frac{3}{4}$	10	40
Eximbank loans.....	(50)	$5\frac{3}{4}$	1 to 2	7 to 18
International Bank for Reconstruction and Development.....	70	$5\frac{1}{2}$ to $5\frac{3}{4}$	$2\frac{1}{2}$ to 5	10 to 25
International Development Agency.....	139	$3\frac{3}{4}$	10	50
United Kingdom.....	48	$1\frac{1}{2}$ to $6\frac{3}{4}$	5 to 7	25
Canada.....	38			
Grants.....	(23)			
Loans.....	(15)	6	5	15 to 20
Germany.....	80			
Loans.....	(60)	3 to $5\frac{1}{2}$	5 to 7	20
Loans.....	(20)	$6\frac{1}{2}$		10
France.....	25	6		$12\frac{1}{2}$ to 15
Japan.....	45	6	5	15
Total.....	945			

¹ Interest rate is the British Treasury rate plus $\frac{1}{4}$ of 1 percent. Hence there is a fluctuating interest rate as Treasury rate fluctuates.

² 10 years from time of delivery of equipment or completion of project.

During the hearings, Administrator Bell testified he was sure the United States could get harder terms on our loans, but that our position was that the terms of repayment should be related to the balance-of-payments prospects of the borrowing country. This principle has been accepted by the members of the Development Assistance Committee of the OECD, including Germany, England and Japan, but the Committee can see very little evidence of softening of lenders' terms as indicated in the table below which is the recent consortium pledges to India for fiscal year 1964.

INDIA CONSORTIUM AGREEMENT

The consortium of countries and institutions interested in development assistance to India concluded on August 7, 1963, a series of sessions devoted to considering India's needs for the third year (April 1963–March 1964) of her third 5-year plan. The pledges announced for the third year of the plan are as follows:

Aid pledged by consortium for Indian fiscal year 1963-64

Donor	Amount (million dollar equivalents)	Maturity (years)	Grace period (years)	Interest rates (percent)
Austria.....	\$7.00	12	2	6
Belgium.....	10.00	10-12		(1)
Canada.....	12.50 18.00	15.20 (2)	(1)	(2)
France.....	30.50 20.00	10		5½
Germany.....	15.35 27.50 22.50 5.15 29.00	13 25 20 20 10	4 7 5 12	5¾ 3 5½ 5½ 5½
Italy.....	99.50 45.00			
Japan.....	65.00	10		(2)
Netherlands.....	7.22 3.88	15 25 10	5 7	5¾ (1)
United Kingdom.....	84.00	25	7	(1)
IBRD.....	105.00	12-25	3-5	4 3½
IDA.....	140.00	50	10	5½ ¾
United States of America:				
AID.....	385.00	40	10	¾
Ex-Im.....	50.00	10-15	3	5¾
	435.00			
Total.....	1,052.10			

¹ Not available.² To be based on Government's borrowing cost or market rate plus an administrative charge or commission.³ Grants.⁴ Interest payments to be waived during 7-year grace period. Subsequent payments to be related to United Kingdom Government's borrowing rate. It is expected that the interest charge over the life of the loan will work out to less than 3½ percent.⁵ IBRD charges current market rate at time loan is made. This has recently been 5½ percent.

In addition to the \$4.087 billion which the United States has already appropriated since fiscal year 1958 for development loans on a bilateral basis, the United States has agreed to participate in two other multi-lateral development lending institutions and the Congress has provided appropriations as follows:

Inter-American Development Bank

Fiscal year	Estimates	Appropriations
1960.....	\$280,000,000	\$280,000,000
1962.....	110,000,000	110,000,000
1963.....	60,000,000	60,000,000
Total.....	450,000,000	450,000,000

Included in another section of the bill is a recommended appropriation of \$50,000,000 for the Special Operations Fund of the Bank. This appropriation was recently authorized by Public Law 88—, approved . In addition, the Board of Governors recently recommended that each member country of the Bank take the legislative and administrative actions necessary to make the proposed increase in capital stock of \$1 billion as soon as possible. The United States share of this proposed increased capitalization of the Bank is

\$412,000,000. This increased U.S. contribution is also authorized by Public Law 88-----.

Another recently established development lending institution is the International Development Association, an affiliate of the World Bank, which was created to provide development financing on more flexible terms than the World Bank. At present IDA makes loans, repayable in dollars, with a maturity date of 50 years, a 10-year grace period, and a service charge of three-fourths of one percent. The Congress has provided the following appropriations to date toward fulfilling our total subscription which represents approximately 32 percent of the presently authorized capitalization:

International Development Association

Fiscal year	Estimates	Appropriations
1961-----	\$73,666,700	\$73,666,700
1962-----	61,656,000	61,656,000
1963-----	61,656,000	61,656,000
Total-----	196,978,700	196,978,700

Also included in another section of the bill is \$61,656,000 as the FY 1964 appropriation to the Association, with an additional appropriation of identical amount required in fiscal year 1965. In addition, legislation has been recently introduced (S. 2214) which would authorize an additional appropriation of \$312,000,000 to the IDA over a three-year period beginning in fiscal 1966.

While the Committee recognizes the need for a source of funds for development purposes, it questions the wisdom of an apparent trend toward a number of institutions, with the United States as the largest contributor, providing such assistance on soft terms. The World Bank, which was created in 1945, was the original institution in this field. Since its establishment it has made sound bank loans for developmental purposes. However, at the recent international monetary conference held in Washington it was suggested that the World Bank revise its present policy of hard-term loans to one of softer terms. Both of the banks discussed above—the Inter-American Development Bank and the World Bank's affiliate, the International Development Association—now make developmental loans on soft terms.

One objection to loans with soft terms is that with grace periods and maturity dates so far in the future, the banks' resources are soon exhausted and then there is a requirement for additional capitalization. The Committee has already noted above the propositions for increased capitalization for both the Inter-American Development Bank and the International Development Association.

In its review of the material presented in support of the foreign assistance estimate, the Committee noted in the Summary Presentation document the following statement:

In the year and a half since the passage of the Foreign Assistance Act, development loans have become the major instrument of U.S. economic assistance.

Nearly 60 percent of the total economic assistance program funds requested by AID for fiscal year 1964 is ear-

marked for lending. This share compares with about 54 percent estimated for fiscal year 1963 and about 30 percent in 1961, the last year of the Development Loan Fund.

In view of the substantial percentage of the 1964 estimate for economic assistance that is requested for development loans, the Committee is quite concerned, as it has been in prior years, as to the lack of detailed information presented to the Congress in justification of the estimate of funds required for the program. The Committee commented rather extensively last year in its report on this appropriation item with reference to the fact that projects are selected by the Agency and funded only after Congress makes funds available for development loans.

This year Assistant Administrator Hutchinson stated on page 1105 of Part 3 of the printed hearings that the development loan program estimate was far more illustrative than any other part of the AID program. The Committee questions whether that is possible, but it is willing to take Mr. Hutchinson's word.

Again, on page 1179 of Part 4 of the printed hearings, the following colloquy occurred:

Mr. TALBOT. The answer on the money is, We do not know whether funds appropriated for development loans might be used for one loan or for another yet. Each loan application comes and is examined and a decision is made in the course of a year, so in our proposals for development loan funds, we are not at this time able to specify which particular development loan application will be accepted.

Mr. PASSMAN. You are saying this is an illustrative program. Even though you should justify funds for this project, you could always transfer them over to another project, and if you did not request funds for the steel mill project, you could take it out of some other part of the total; is that correct?

Mr. GAUD. The amounts we are asking for development are not committed to any project.

Mr. PASSMAN. That is what I say. It is an illustrative program. Even though you may have no specific plans for the steel mill, at some subsequent date, after you receive the funds, you may decide it is more advantageous to build the steel mill than carry out some other project?

Mr. GAUD. No. We are not asking money for specific projects.

The Committee is of the opinion that future estimates for development loans should be justified on a country basis with definite loan applications on hand to back up the estimate for each country. In support of its position that such a presentation is possible, the Committee points to the Latin America area, where on June 30 AID Washington had specific loan applications on hand in the amount of \$285,552,000, in addition to \$110,000,000 in potential loans which were under negotiation on that date as indicated in the table below:

LOAN APPLICATIONS ON HAND AS OF JUNE 30, 1963

The following list of loan applications on hand as of June 30, 1963, totals \$395.5 million:

<i>Country and purpose</i>	<i>Amount (thousands)</i>
Argentina:	
Irrigation network.....	\$2, 500
Modernization of river transport.....	1, 770
School construction.....	6, 558
Deciduous fruit production.....	698
Bolivia:	
Establishment, expansion and modernization of private industries.....	2, 400
Drilling, exploitation and processing of crude oil.....	3, 000
Construction of a tourist hotel.....	1, 000
Supervised agricultural credit.....	3, 700
Brazil:	
Electric power expansion.....	11, 000
Cast iron pipe production.....	1, 348
Brine industrial program.....	2, 580
Chavantes hydroelectric power.....	10, 000
Funil hydroelectric.....	2, 000
Fortaleza power.....	2, 400
Northeast Development Banks.....	20, 000
Chile:	
Communications facilities.....	15, 400
Development of timber property.....	3, 000
Supervised agricultural credit.....	1, 500
Fishing and canning plant.....	600
Feasibility studies.....	3, 000
Housing.....	5, 000
Colombia:	
Savings and loan associations.....	5, 000
Health and medical facilities.....	7, 000
Development bank.....	5, 000
Supervised credit to small and medium industry.....	2, 500
Capital for agricultural and small industrial loans.....	2, 000
Expansion of manufacturing facilities.....	5, 000
Medellin sewerage.....	4, 100
Baranquilla airport.....	6, 800
Costa Rica:	
Metropolitan emergency water supply.....	1, 400
Development bank.....	4, 100
Ecuador: IBRD road program.....	13, 500
Guatemala: Salama-Coban highway.....	6, 000
Mexico:	
Housing institution.....	20, 000
School construction.....	2, 000
Agricultural school construction.....	2, 000
Nicaragua: Electric power supply.....	370
Panama:	
Abattoir construction.....	300
Development bank.....	4, 500
Peru:	
Expansion program of university.....	7, 628
National highway development program.....	40, 000
Aided self-help secondary roads.....	2, 200
Construction of Pativilca hydroelectric plant.....	2, 500
Hydroelectric power project Canon del Plato.....	2, 200
Uruguay: Construction of primary classrooms.....	5, 000
Central America:	
Housing.....	10, 000
Fund for Central American integration.....	25, 000
Program loans under negotiation between United States and recipient countries which cannot be identified by individual country in unclassified form until negotiations are completed.....	110, 000
Total loan application on hand June 30, 1963, in AID Washington headquarters.....	395, 552

Inasmuch as the specific loan applications, exclusive of the loan applications in negotiation, are approximately 52 percent of the fiscal year 1964 estimate for development loans in Latin America, and if the additional \$110,000,000 of loans in negotiation are included, the percentage rises to approximately 70 percent, the Committee is of the opinion that the Agency could and should have a separate project sheet for each loan by country which would supply all pertinent data on each proposed loan. With such information on hand, the Committee would have a more business-like basis upon which to recommend funds for this type of program. As it is now, the Committee and the Congress are asked to appropriate funds in the dark, and can only hope that the Agency will approve during the year only those applications that are sound, worthwhile investments.

In addition, the estimates would not contain items such as the \$20,000,000 estimate for development loans for Israel which, according to the justifications, "rests increasingly on political comparisons rather than on an economic evaluation."

Such a presentation would also give the Congress itself an opportunity to approve or disapprove loan applications for specific projects such as the Bokaro Steel Mill project in India. As the program is presented to the Congress now, the only way the Congress can express its disapproval of a development loan project is through a specific prohibition in the authorization act. The Committee is of the opinion that the Congress should have a strong voice in the decision as to how the U.S. taxpayers' money is to be spent overseas. As it is now, the Executive has the sole authority for this decision.

In connection with the Bokaro Steel Mill project in India on which the House has expressed its opinion, the Committee was quite concerned to read that our Ambassador to India, Chester Bowles, made the following statement in a press conference in Calcutta on September 25 subsequent to House action on the authorization bill:

Ambassador BOWLES. * * * The next point that is important to remember, that this does not in any way change the amount of American aid money going to India. We had been planning to spend 500 million dollars on Bokaro. We will now have 500 million dollars we didn't have before to spend on something else. This now releases the same sum of money for other projects, assuming we continue to get the budgets we have had for aid to India. It is not a loss of income or aid money or grants or loans to India—it simply switches from one set of projects to another. For instance, *there are projects which India is financing herself with her own foreign exchange, that you earn from the sale of jute, iron ore, and other products. We can take over some of those, releasing your own funds for Bokaro.* * * *. [Italic supplied.]

Such an attitude on the part of the U.S. Ambassador to India is hard to understand and, in the opinion of the Committee, puts any project in India which the United States may finance in the future in a very questionable light. Based on its hearings on the Bokaro Steel

Mill project, the Committee is of the further opinion that there is no justification for the allocation of any funds contained in this bill for the overseas construction of steel mills.

The Committee will expect, in connection with the fiscal year 1965 and future budgets, detailed justifications (or project sheets) on each individual loan proposed for each country in the development loan estimate.

The Committee has noted the strong recommendation of the Senate Foreign Relations Committee that the Executive Branch take advantage of the authority of section 205 of the Foreign Assistance Act whereby up to 10 percent of development loan funds may be lent to the International Development Association for further relending. This Committee strongly opposes the use of section 205 by the Executive Branch on two counts. One, the United States has to date appropriated \$196,978,700 to the Association and included in another section of the bill is the recommended appropriation of \$61,656,000 as the fiscal year 1964 payment, with an additional \$61,656,000 due in fiscal year 1965. In addition, legislation has been introduced recently authorizing an additional United States contribution of \$312,000,000 to the Association, with the first payment due in fiscal year 1966. Two, the Committee is recommending in this bill the appropriation of \$600,000,000 for development loans on a bilateral basis with the understanding that, to quote Secretary Rusk, it "furthers our own national interest" which may or may not be shared by an international organization.

The Committee is of the further opinion that appropriations to the International Development Association should first be authorized and then approved on the merits of the proposition, rather than on a "back-door" basis as recommended by the Senate Foreign Relations Committee. Therefore, the Committee has included in the bill a limitation providing that none of the funds contained in the bill may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

ADMINISTRATIVE EXPENSES, AID

1964 estimate.....	\$57, 250, 000
1964 authorization.....	54, 000, 000
Recommended for 1964.....	50, 000, 000

The Budget proposed an increase of \$5,083,000 above the funds available for administrative expenses in fiscal year 1963 which were \$52,167,000. The budget estimate of \$57,250,000 amounted to 1.7 percent of the amount requested for economic assistance. The Foreign Assistance Act of 1963 authorized \$54,000,000 for this purpose in fiscal year 1964.

The Committee recommends an appropriation of \$50,000,000 for this purpose in 1964.

ADMINISTRATIVE EXPENSES, STATE

1964 estimate.....	\$3, 025, 000
1963 appropriation.....	2, 700, 000
Recommended for 1964.....	2, 700, 000

36 FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL

The Budget recommended \$3,025,000 for financing those activities of the Department of State connected with U.S. foreign assistance programs as follows:

Program	Estimate
U.S. Missions to NATO and OECD.....	\$2,182,000
Mutual Defense Assistance Control Act.....	843,000
Total.....	\$3,025,000

The Committee has approved the estimate of \$843,000 for MDAC activities, which is \$13,900 less than funds available in fiscal year 1963, and further recommends that \$1,857,000 be approved for the U.S. Missions to NATO and OECD.

MILITARY ASSISTANCE

1964 estimate.....	\$1,405,000,000
1964 authorization.....	1,000,000,000
Recommended for 1964.....	1,000,000,000

The military assistance program, according to the Budget, is designed to strengthen the security of the free world by contributing to the development, maintenance, and training of modern military forces. For this purpose \$1,405,000,000 was requested and \$1,000,000,000 was authorized. The Committee recommends an appropriation of \$1,000,000,000 for the program in FY 1964.

A table listing the 65 proposed recipients of this type of grant aid for fiscal year 1964 and for the past three fiscal years follows:

Military grant aid countries

Country	Program indicated by X				
	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964	
				Proposed program for °	Training only
	(56)	(65)	(70)	(65)	(11)
Belgium.....	X	X	X	X	
Luxembourg.....	X	X	X	X	X
Denmark.....	X	X	X	X	
France.....	X	X	X	X	
Germany.....	X	X	X	X	X
Italy.....	X	X	X	X	
Netherlands.....	X	X	X	X	
Norway.....	X	X	X	X	
Portugal.....	X	X	X	X	
Spain.....	X	X	X	X	
United Kingdom.....	X	X	X	X	
Cameroon.....		X	X		
Congo.....			X	X	
Dahomey.....		X	X		
Ethiopia.....	X	X	X	X	
Ghana.....		X	X	X	
Ivory Coast.....		X	X		
Liberia.....	X	X	X	X	
Libya.....	X	X	X	X	
Mali.....	X	X	X	X	
Morocco.....	X	X	X	X	
Niger.....		X	X		
Nigeria.....		X	X	X	X
Senegal.....		X	X	X	
Tunisia.....	X	X	X	X	
Upper Volta.....		X	X		
Afghanistan.....	X	X	X	X	X
Greece.....	X	X	X	X	
India.....			X	X	
Iran.....	X	X	X	X	
Iraq.....	X	X	X	X	X
Jordan.....	X	X	X	X	
Lebanon.....	X	X	X	X	
Pakistan.....	X	X	X	X	
Saudi Arabia.....	X	X	X	X	
Syria.....			X	X	X
Turkey.....	X	X	X	X	X
Yemen.....			X	X	
Cambodia.....	X	X	X	X	
China, Republie of.....	X	X	X	X	
Japan.....	X	X	X	X	
Korea.....	X	X	X	X	
Laos.....	X	X	X	X	
Philippines.....	X	X	X	X	
Thailand.....	X	X	X	X	
Vietnam.....	X	X	X	X	
Argentina.....	X	X	X	X	
Bolivia.....	X	X	X	X	
Brazil.....	X	X	X	X	
Chile.....	X	X	X	X	
Colombia.....	X	X	X	X	
Costa Rica.....	X	X	X	X	
Dominican Republic.....		X	X	X	
Ecuador.....	X	X	X	X	
El Salvador.....	X	X	X	X	
Guatemala.....	X	X	X	X	
Haiti.....	X	X	X	X	
Honduras.....	X	X	X	X	
Mexico.....	X	X	X	X	X
Nicaragua.....	X	X	X	X	
Panama.....	X	X	X	X	
Paraguay.....	X	X	X	X	
Peru.....	X	X	X	X	
Uruguay.....	X	X	X	X	
Venezuela.....	X	X	X	X	X
Country A (Indonesia).....	X	X	X	X	
Classified country B.....	X	X	X	X	
Classified country C.....	X	X	X	X	X
Classified country D.....	X	X	X	X	
Classified country E.....			X	X	X

MAP OBLIGATIONAL AUTHORITY FOR FY 1964

The following table gives a comparison of obligational authority available to the military assistance program in FY 1963 and as proposed by the Budget for fiscal year 1964:

	Fiscal year 1963	Fiscal year 1964
New obligational authority.....	\$1,325,000,000	\$1,405,000,000
Recoupments.....	250,000,000	125,000,000
Reappropriations.....	24,000,000	25,000,000
Total new obligational authority.....	1,599,000,000	1,555,000,000

The Budget also anticipated that \$48,704,000 in excess military stocks would be available in FY 1964, making a total program during the year of approximately \$1,603,704,000.

MAP UNEXPENDED BALANCES

The unexpended balance of funds available to the MAP at the end of the past 4 fiscal years and a projection for the end of fiscal year 1964 is as follows:

End of fiscal year (June 30)	Unexpended balance (rounded)
1960.....	\$2,269,900,000
1961.....	2,597,700,000
1962.....	2,784,600,000
1963.....	2,421,668,000
1964 (projected).....	2,314,600,000

MAP RESERVATION ACCOUNT

The MAP reservation account, authorized by section 108 of the Mutual Security Appropriation Act of 1956, was established as a means of controlling military assistance appropriations. This provision provides that the military departments are to be reimbursed only upon receipt of documentary proof of delivery of the military goods and services ordered by the Military Assistance Program.

The Committee has no objection to the philosophy and objective of Section 108. However, in practice MAP orders (reservations) are issued to the military departments, with major items specifically identified and costed while secondary items such as spare parts, consumables, etc., are in total dollar amounts, without item identification or unit cost. In the opinion of the Committee this latter type of reservation for secondary items without item identification or unit cost is tantamount to the MAP making a deposit of funds with the military departments and being able to withdraw from its "bank account" at some subsequent date such sums of money as may be necessary to fund new and even unjustified programs.

An example of the use of this "bank account" is detailed on pages 129-132 of Part 1 of the printed hearings. Briefly, in March of 1962 the MAP was justifying a request for fiscal year 1963 funds to pur-

chase 73 FX aircraft. Testimony developed that the cost would be \$54,700,000 for the 73 aircraft which were to be assigned to 4 countries. Subsequent testimony 6 days later indicated that the cost would be \$54,800,000 and that the planes would go to 8 countries. In May 1962 the Pentagon selected the F-5 aircraft for procurement. During the testimony this year the Committee ascertained that \$140,000,000 has been allocated for procurement of 85 F-5 aircraft. Rather than waiting for approval by Congress of the fiscal year 1963 program which contained the request for funds for this aircraft, the MAP, upon authorization by Secretary McNamara, dipped into the fiscal year 1962 and prior years reservation account and on May 25, 1962, allocated \$2,500,000 to the program. On Friday, June 29, 1962, an additional \$22,500,000 was allocated to the program. The balance of the funding for procurement of the aircraft, \$115,020,000, was approved on October 16, 1962, out of fiscal year 1963 funds. In toto, approximately \$85,000,000 more than what was justified was obligated for this one program. This would indicate that there was not a lack of funds available to the Military Assistance Program, yet the Congress was charged with "harming" the national security by its reduction of \$175,000,000 in the fiscal year 1963 MAP program. A further discussion of this statement is contained in another section of the report.

A review of the reservation process in the past several years has caused the Committee some concern. It would appear from the table below that the Military Assistance Program develops a grant aid program of a certain dollar magnitude including both new obligational authority and an estimate of "recoupments" or deobligations. The Congress, after a careful review and analysis of the program, generally makes available a reduced amount of funds. This reduction does not seem to have very much effect on the program, inasmuch as the MAP officials, apparently, simply increase the amount of "recoupments" for the year to generally offset the reduction in the program recommended by the Congress. The table showing the Military Assistance Program for the past 6 years follows:

Fiscal year	Estimate (NOA)	Appropriation	Reduction in estimate	Original estimate of deobligations	Actual deobligations	Appropriation plus actual deobligations
1958.....	\$1,600,000,000	\$1,340,000,000	—\$260,000,000	¹ \$106,800,000	\$206,000,000	\$1,546,000,000
1959.....	1,800,000,000	1,515,000,000	—285,000,000	² 169,241,000	222,900,000	1,737,900,000
1960.....	1,600,000,000	1,300,000,000	—300,000,000	118,000,000	208,300,000	1,508,300,000
1961.....	2,000,000,000	1,800,000,000	—200,000,000	³ 155,670,000	120,600,000	1,920,600,000
1962.....	1,885,000,000	1,600,000,000	—285,000,000	100,000,000	240,700,000	1,840,700,000
963.....	1,500,000,000	1,325,000,000	—175,000,000	204,600,000	250,000,000	1,575,000,000
Total.....	10,385,000,000	8,880,000,000	—1,505,000,000	854,311,000	1,248,500,000	10,128,500,000

¹ Estimate contained in fiscal year 1959 Justification Data.

² Estimate contained in fiscal year 1960 Justification Data.

³ Estimate contained in fiscal year 1962 Justification Data.

A simple analysis of the program since passage of the Foreign Assistance Act of 1961, indicates that the Congress has been "spinning its wheels" in its efforts to reduce the funds available to the Military Assistance Program:

Fiscal year	Appropriations	Amount obligated	Obligations above appropriations
1962-----	\$1,600,000,000	\$1,840,700,000	+\$240,700,000
1963-----	1,325,000,000	1,575,000,000	+250,000,000
Total-----	2,925,000,000	3,415,700,000	+490,700,000

The above tables indicate that the "reservation" process allows the MAP to obligate funds far in excess of the amounts contemplated by the Congress in approving appropriations for the Military Assistance Program.

EXCESS STOCKS

Another phase of the Military Assistance Program that appears to be susceptible to adjustment by the MAP officials to offset Congressional reductions is the excess stocks item. This item is composed of military equipment and supplies that are in excess of the needs of the Department of Defense and are made available to the MAP free of charge, although the MAP does pay for the cost of repair and rehabilitation. The following table indicates the original estimate of value of excess stocks that would be made available to the Military Assistance Program during the fiscal year and the actual value made available:

Fiscal year	Original estimate of excess stocks to be made available during the year	Actual value of excess stocks made available for the year
1959-----	\$40,513,000	\$221,138,000
1960-----	85,000,000	115,321,000
1961-----	77,219,000	54,787,000
1962-----	28,932,000	141,112,000
1963-----	48,179,000	¹ 112,535,000

¹ Present estimate.

EFFECT OF CONGRESSIONAL REDUCTION ON FISCAL YEAR 1963 MILITARY ASSISTANCE PROGRAM

During this year's testimony on the Military Assistance Program, Secretary of Defense McNamara stated with reference to the Congressional reduction of \$175,000,000 in the fiscal year 1963 Military Assistance budget:

Secretary McNAMARA. We did not have any unused funds in fiscal year 1963. We did suffer because of the cut in fiscal year 1963. There is not a unified commander in the U.S. military forces today who will tell you that we did not suffer. Our national defense was injured because of the cut. I can say it without qualification. * * *

The Secretary specifically mentioned Greece and Turkey in his testimony as being harmed by the reduction in the appropriation request. Subsequently, the Secretary supplied information for the record which indicated that other countries close to the border of the bloc, such as Pakistan, Korea, the Philippines, and the Republic of China, were also affected.

Subsequent testimony by General Fuqua, the Director responsible for administration of the Near East, South Asia and Africa Region military assistance program, is as follows:

In connection with the Greek MAP program:

Mr. PASSMAN. At least, you have \$219 million. Did you find you had a sufficient program for Greece in fiscal 1963? Your requirements were taken care of reasonably well?

General FUQUA. I believe so, sir.

In connection with the Turkish MAP program:

Mr. PASSMAN. You have a satisfactory program going in Turkey?

General FUQUA. I believe so.

Mr. PASSMAN. You do not know of any serious deficiencies which would frighten you at this time?

General FUQUA. None that would frighten me; no, sir.

Mr. PASSMAN. Thank you very much.

The other 4 countries specifically mentioned by the Secretary were Pakistan, Korea, Philippines, and China. The budget program of March 1962 for these 4 countries, plus Greece and Turkey, was reduced, as of March 1963, by \$220,456,000.

The Committee recommends and the Congress appropriates funds for the Military Assistance Program on a lump sum basis; the decision as to how much money is to be allocated to a specific country is the decision of the Executive Branch. The Executive Branch—not the Congress—determined that the 6 countries mentioned by the Secretary should receive funds below the estimates justified to the Congress.

In addition, an analysis of the total FY 1963 program (as of March 19, 1963) indicates that the Executive Branch allocated to 32 countries and 2 area programs funds totaling \$223,885,000 in excess of the amount requested and justified to the Congress for these 34 programs.

The table below shows these increased allocations:

Military Assistance Program—Fiscal year 1963 budget estimates as justified to Congress compared with fiscal year 1963 program as of Mar. 19, 1963

Country	Fiscal year 1963 budget estimate (justified March 1962)	Fiscal year 1963 program (as of Mar. 19, 1963)	Increase in fiscal year 1963 program over amount justified
Europe:			
“X”		\$3,000	+\$3,000
France	\$1,768,000	4,048,000	+2,280,000
Germany	225,000	260,000	+35,000
Italy	33,194,000	37,442,000	+4,248,000
Norway	21,025,000	41,299,000	+20,274,000
Subtotal	56,212,000	83,052,000	+26,840,000
Africa:			
Libya	961,000	2,102,000	+1,141,000
Mali	633,000	1,258,000	+575,000
Tunisia	102,000	256,000	+154,000
Subtotal	1,746,000	3,616,000	+1,870,000
Near East and south Asia:			
India		60,002,000	+60,002,000
Iran	63,450,000	69,742,000	+6,292,000
Iraq	38,000	85,000	+47,000
Jordan	4,503,000	5,571,000	+1,068,000
Lebanon	85,000	87,000	+2,000
Syria		5,000	+5,000
Yemen		10,000	+10,000
Subtotal	68,076,000	135,502,000	+67,426,000
Far East:			
“Y”	8,906,000	10,327,000	+1,421,000
Cambodia	12,300,000	12,330,000	+30,000
Thailand	46,675,000	79,439,000	+32,764,000
Vietnam	179,600,000	202,540,000	+22,940,000
Subtotal	247,481,000	304,636,000	+57,155,000
Latin America:			
Bolivia	2,223,000	4,125,000	+1,902,000
Brazil	10,331,000	13,039,000	+2,708,000
Chile	2 6,269,000	8,940,000	+2,671,000
Colombia	2 5,195,000	10,011,000	+4,816,000
Costa Rica	348,000	490,000	+142,000
Dominican Republic	1,500,000	3,981,000	+2,481,000
El Salvador	389,000	1,584,000	+1,195,000
Guatemala	1,667,000	2,524,000	+857,000
Honduras	1,264,000	1,458,000	+194,000
Panama	425,000	498,000	+73,000
Paraguay	976,000	1,411,000	+435,000
Peru	2 7,489,000	8,513,000	+1,024,000
Venezuela	1,167,000	1,325,000	158,000
Area Program	428,000	2,173,000	+1,745,000
Subtotal	39,671,000	60,072,000	+20,401,000
Nonregional Program	47,055,000	97,248,000	+50,193,000
Grand total	460,241,000	684,126,000	+223,885,000

¹ Includes \$100,000,000 estimate in Far East regional program.

² Original estimate adjusted downward to reflect Congressional failure to enact Ship Loan legislation.

The Executive Branch made the decision to allocate to these 34 programs approximately \$224 million more than what was requested and justified to the Congress. This is more than the amount by which the 1963 budget programs for the 6 countries cited by the Secretary were reduced; therefore, the Committee can see no validity to the Secretary's claim that our national security was injured by the

Congressional reduction of \$175,000,000. Rather, it would appear to the Committee that the Executive Branch made that decision.

MILITARY ASSISTANCE TO EUROPE

The Committee is pleased to note that military grant assistance to Europe is at a decreasing rate—from \$370.6 million in 1962 down to the proposed \$229.3 million in 1964—but it is of the opinion that the United States is still programming too much grant aid to this area, especially in view of the phenomenal economic recovery of the area. It would appear that the greater majority of the European nations could well be taken off the grant aid rolls as they are now financially able to buy from the United States whatever military equipment and services they may require.

In support of this conclusion, the Committee cites the testimony of the Director of the European Region, General Eaton, on page 222 of Part 2 of the hearings, where he stated:

From the standpoint of financial need, grant materiel programs are no longer required for most Western European countries, but incentive programs in some cases are justified on the basis of U.S. interest.

An example of one of these incentive programs is mentioned on page 108 of Part 2 of the printed hearings where the Secretary testified that a portion of the fiscal year 1964 Italian MAP program was "to grease the ways" for a deal in which Italy is buying U.S. manufactured military equipment with gold.

The Committee cannot reconcile an "incentive program" with the statement of Secretary McNamara on page 60 of Part 2 of the printed hearings that:

The paramount objective of the military assistance program is of course to maintain and develop effective military forces in friendly nations.

The Committee has been recommending for many years the necessary funds to enable the military assistance program to attain the objectives stated by the Secretary. It does not intend to recommend the appropriation of funds for a program apparently designed, in part, to alleviate our balance-of-payments problem under the guise of military assistance. The Committee suggests that the Executive Branch, with the funds recommended for this program, concentrate its efforts on the maintenance and development of effective military forces in friendly nations and that it seek solutions to our pressing balance-of-payments problem through other programs.

Another aspect of our military grant aid program for Europe that has caused the Committee some concern is the fact that the NATO countries do not appear to be as concerned about the need for adequate defense expenditures as is the United States. The table on pages 224 and 225 of Part 2 of the printed hearings indicates that while NATO has increased her defense expenditures, expressed as a percentage of gross national product, from 5.0 percent in 1950 up to 5.4 percent in 1962, the United States has increased its percentage from 5.1 percent up to 9.8 percent during the same period.

On a dollar basis NATO has increased her defense expenditures from \$5,879,000,000 in 1950 up to \$17,298,000,000 in 1962; during

the same period the United States has gone from \$14,559,000,000 up to \$54,400,000,000.

Another item of some concern to the Committee was the decision in May of the Executive Branch by Presidential Determination to permit sales of military hardware to Yugoslavia despite the obvious intention of the Congress to prohibit the furnishing of military hardware to Yugoslavia and other Communist Governments. Such action was possible by the use of section 614(a) of the authorization act which gives the President the authority to waive the provisions of the authorization and appropriations acts when he deems such waiver is important to the security of the United States. The Committee questions whether the use of this waiver authority to provide military assistance to Yugoslavia was important to the security of the United States.

MILITARY ASSISTANCE TO OTHER AREAS

The Committee has discussed earlier the initiation of programs not justified to the Congress and the "reservation of funds" process. Typical of both of these comments is the MAP program in the Congo, which was initiated last year without presentation and justification to the Congress with an allocation of \$3,378,000. Of this total amount, \$696,000 was set aside for training. As of March 19, 1962, no training spaces had been assigned for Congolese military personnel and the following statement was made for the record:

General WOOD. I would say there were other reasons why the spaces were not used; probably because the country decided not to utilize them after the program was made.

* * * * *

Mr. PASSMAN. Even though you estimate there will be \$8,000 spent, if you turn to page 28, it is indicated there that, in all probability, the entire \$696,000 could remain unliquidated; is that not correct?

General FUQUA. There is none shown on page 28, that is correct.

Mr. PASSMAN. There is a possibility you can recoup the entire amount?

General FUQUA. There is the possibility. However, it is quite possible as I have indicated, that we may yet get some of these people in training. As Governor Williams pointed out, we are having a tremendous amount of difficulty getting started on this retraining program.

During the testimony on the military assistance program for Africa the Committee ascertained that funds were being requested to ship military materiel to 4 countries. The only thing wrong with the estimates was that there was no materiel to be shipped to the 4 countries. The following is an excerpt from the insert furnished for the record in this connection:

To the extent that undelivered balances for "supply operations" are overstated in one country, they may be used to offset understatement in another. In any event, if the amount worldwide is too large, it becomes available for re-

coupment, and thus would become a part of the program against worldwide anticipated recoupments in fiscal year 1963 and fiscal year 1964.

The Committee has commented previously about the proliferation of our aid program. One of the basic reasons seems to be the fact that once you start a program, you can't stop it. This is typified by the comment of the Director of the MAP program in Africa:

General FUQUA. You can't cut it out—so you try to trim it and keep it as low as possible.

Typical of the firmness of the estimates for the MAP program is the following colloquy with reference to the Afghanistan program:

Mr. PASSMAN. You requested, I repeat, a training program of \$——— which was contingent upon its acceptance by Afghanistan.

General FUQUA. That is correct, sir.

Contingent upon acceptance.

Mr. PASSMAN. At a subsequent date you allocated only \$126,000 and not \$———.

General FUQUA. That is right, sir.

Mr. PASSMAN. Was it because Afghanistan would not accept the full amount?

General FUQUA. It was a combination of two things, sir. One, Afghanistan did not want that amount. Two, we decided that the program and the amount of money we had allocated was probably too big in relation to other requirements and the reduced total appropriation, and subsequently cut it down.

The following colloquy is of interest in view of the Secretary's statement that the Congressional reduction of \$175,000,000 had "injured" our national security:

Mr. PASSMAN. You allocated out of the regular MAP appropriation, to India last year, \$60,002,000?

General FUQUA. That is correct.

Mr. PASSMAN. Was that out of the reduced appropriation, or did you have to go into some other section for funds for this item?

General FUQUA. We used the military assistance appropriation.

Mr. PASSMAN. There has been no supplemental or no other source used to finance these plus projects? This all came out of the regular reduced appropriation that the Congress approved last year; is that correct, sir?

General FUQUA. That is correct.

Mr. PASSMAN. It came out of the fat we left in the bill. Thank you for the smile.

Another example of the initiation of unjustified projects and the ability of the MAP to use "recouped" funds is the infrastructure program in Thailand. The Committee first learned of this program in November of 1962—four months after the start of fiscal year 1963—

when representatives of the Committee were on a survey trip in the Far East area. The following colloquy is self-explanatory:

Mr. PASSMAN. You are familiar with the infrastructure program in North Thailand?

Admiral HEINZ. Yes.

Mr. PASSMAN. What did that program cost last year?

Admiral HEINZ. The total program to MAP in 1963 was \$——.

Mr. PASSMAN. How much in fiscal 1962?

Admiral HEINZ. In 1962, the cost to MAP was \$——.

Mr. PASSMAN. When did you start the program?

Admiral HEINZ. This program was finally approved by the Secretary in June of 1962.

Mr. PASSMAN. When did you justify it to the Congress?

Admiral HEINZ. The program was not contained in our presentation of the 1963 program last year.

Another example of the "harmful" effect of the Congressional reduction of \$175,000,000 last year is in the Latin America area. The following colloquy from pages 503-504 of Part 2 of the printed hearings illustrates the effect of Congressional action to try and control this portion of the Foreign Assistance program:

Mr. PASSMAN. What was your total request for Latin America for fiscal 1963?

Colonel ASHTON. Our total request for fiscal year 1963 in Latin America was \$76.9 million.

Mr. PASSMAN. What is the ship part of it?

Colonel ASHTON. The ship loan is \$22 million.

Mr. PASSMAN. As the Congress did not pass the ship loan legislation, that would have made your request, by deletion, \$54,900,000; is that correct, sir?

Colonel ASHTON. If the funds that were in for the ship loan were taken out of Latin America, the chairman is correct.

Mr. PASSMAN. How much, then, did you obligate for Latin America in fiscal 1963?

Colonel ASHTON. Our fiscal year 1963 program amounts to \$70.6 million.

Mr. PASSMAN. Where did you get the other \$15,700,000?

Colonel ASHTON. The \$15 million that was put in the program——

Mr. PASSMAN. \$15,700,000.

Colonel ASHTON. \$15,700,000. The funds were given to the region from worldwide recoupments, as explained by General Wood.

Mr. PASSMAN. That money came from the recoupment program too?

Colonel ASHTON. Yes.

Mr. PASSMAN. That is really a great device.

Mr. RHODES. The greatest invention since the wheel.

The following excerpt from pages 564-565 of Part 2 of the hearings relates to the unexpended balance on June 30, 1963, in the Non-Regional program of the Military Assistance Program. Last year the fiscal year 1963 estimate for the account was \$47,055,000, and the unexpended balance on June 30, 1962 was —\$194,000. During fiscal year 1963, \$97,248,000 was programmed for the account, deliveries during the year were \$106,121,000 and the unexpended balance on June 30, 1963, was \$112,867,000. The Committee is at a loss to fully explain the mathematical legerdemain as to how any account can grow in one year from a minus balance of \$194,000 to a plus balance at the end of the year of over \$112 million at the same time as deliveries are being made with a value of over \$106 million, during a year in which a 11½ percent reduction in the estimate “harmed” our national security. However, the following colloquy is sufficiently clear to establish that this fund was subject to the “recoupment” process and could have been used to procure ammunition for Greece, communications equipment in Turkey, aircraft for China, naval vessels for Korea, or any other purpose deemed necessary by those officials responsible for the administration of the Military Assistance Program:

Mr. PASSMAN. You have reserved, or you have disbursed, \$218,988,000 out of this nonregional program. Along the way had you previously justified a requirement of \$47,055,000 remained firm and had your procedures been the same you would have had \$171,933,000 that could have been dereserved and transferred over to the availability category. Would you say that that statement is correct?

Mr. COMER. The way you have put it I think that the answer would have been yes if——

Mr. PASSMAN. Leave the “if” out temporarily, please, but if your requirement in category A did not have a high priority, say, such as a shortage of ammunition in Greece, and you had this squeezeout that we have established now, a net of \$171,933,000, then that money could have been allocated to any program with a higher priority, could it not?

Mr. COMER. I think we would say yes.

TITLE II—FOREIGN AID (OTHER)

PEACE CORPS

1964 estimate.....	\$108,000,000
1963 appropriation.....	59,000,000
Recommended for 1964.....	89,000,000

The Committee recommends an appropriation of \$89,000,000, plus the reappropriation of the unobligated balance of the FY 1963 appropriation of approximately \$3.9 million, to finance the activities of the Peace Corps in fiscal year 1964. The recommended appropriation, plus the reappropriated unobligated funds, is approximately \$33.9 million above the 1963 appropriation, and will finance a Peace Corps strength of approximately 10,500 volunteers.

During the recent hearings on the fiscal year 1964 authorization bill for the Peace Corps, Director Shriver advised the Congress that the Corps had not reached its contemplated strength of 9,000 volunteers by August 31 but had on board on that date 6,634 volunteers and that \$3.9 million of the fiscal year 1963 appropriation of \$59,000,000 had lapsed. Director Shriver further advised that the revised 1964 program now contemplated a program of \$102,000,000 to finance a Corps of 11,300 volunteers by August 31, 1964, rather than 13,000 volunteers at a cost of \$108,000,000 as originally proposed.

The Committee is concerned as to very rapid growth of this agency in the past several years. The following table indicates the funds available for the Agency since its inception:

Fiscal year	Financing	
	Amount	Source
1961-----	\$10, 000	Development grant.
1961-----	1, 620, 000	Contingency fund.
1962-----	30, 000, 000	Peace Corps appropriation.
1963-----	59, 000, 000	Do.
1964-----	¹ 108, 000, 000	1964 budget.

¹ Estimate.

At the time of the initial presentation to Congress of the budget for Peace Corps operations in fiscal year 1962, Director Shriver made the following statement:

Mr. SHRIVER. No, sir, that is not the intention so far as you mean the administration of the Peace Corps? Our intention is to conduct this thing; this program, according to the proposals set forth in the legislation and in our legislative presentation material and come back to the Congress and report what we have done and find out on the basis of experience whether what we are doing is helpful and successful. If it is not we will curtail the program or cut it out altogether. I have no desire, neither has anybody else in the Peace Corps—most of us do not need this job—to perpetuate something that is unsuccessful.

The Committee is concerned as to the very rapid growth of the Corps as evidenced by fact that in just two years it is now operating in 47 countries and the proposal is to extend its operations into one additional country in fiscal year 1964. The Committee is of the opinion that the Peace Corps is over-extending itself prior to an impartial review and evaluation of its operations.

The table below indicates the country and the number of volunteers overseas or in training for projects in various countries as of August 31, 1963:

Number of volunteers and trainees

Country	Aug. 31, 1963		
	Overseas	In training	Total
Africa:			
Cameroon.....	38	53	91
Ethiopia.....	270	151	421
Gabon.....	39	46	85
Ghana.....	81	61	142
Guinea.....		68	68
Ivory Coast.....	43	19	62
Liberia.....	127	163	290
Morocco.....	54	56	110
Niger.....	15		15
Nigeria.....	238	159	397
Nyasaland.....	41	3	44
Senegal.....	31	35	66
Sierra Leone.....	80	54	134
Somali Republic.....	33		33
Tanganyika.....	23	94	117
Togo.....	39		39
Tunisia.....	94		94
Far East:			
Indonesia.....	17		17
Malaya.....	165		165
North Borneo/Sarawak.....	90		90
Philippines.....	451	176	627
Thailand.....	215	63	278
Near East/South Asia:			
Afghanistan.....	35		35
Ceylon.....	34		34
Cyprus.....	22		22
India.....	115	38	153
Iran.....	40	11	51
Nepal.....	65	40	105
Pakistan.....	122	91	213
Turkey.....	37	133	170
Latin America:			
Bolivia.....	110	13	123
Brazil.....	179	74	253
British Honduras.....	30		30
Chile.....	56	62	118
Colombia.....	244	211	455
Costa Rica.....	26	42	68
Dominican Republic.....	136	92	228
Ecuador.....	150	152	302
El Salvador.....	21	27	48
Guatemala.....	25	12	137
Honduras.....	27	50	77
Jamaica.....	40		40
Panama.....	29	31	60
Peru.....	306	72	378
St. Lucia.....	17		17
Uruguay.....		23	23
Venezuela.....	79	30	109
Grand total.....	4, 129	2, 505	6, 634

The Committee ascertained during its hearings on the economic aid program that the Peace Corps has taken over projects that were being successfully operated by the economic assistance program of AID. An example of this procedure is more fully discussed on pages 948-952 of Part 3 of the printed hearings. Briefly, the AID agency was successfully operating the Rural Teaching Training project in Liberia under a contract with the International Voluntary Services (IVS), at an average annual cost of \$4,704 per IVS volunteer. The 26 IVS volunteers assigned to the project were replaced by Peace Corps volunteers with an average annual cost of \$7,164 per volunteer. Therefore, the annual cost to the Federal Government to have the Peace Corps take over the AID project is a minimum of \$63,960. If the Peace Corps supplies more Volunteers to the project than the IVS did, then the cost to the Federal Government increases by \$7,164 for each additional Peace Corps volunteer.

Another matter of concern to the Committee is the value of some of the Peace Corps projects toward meeting the needs of the economically under-developed countries of the world. For example, as of August 31 there were 107 volunteers overseas in physical education projects and there were an additional 68 volunteers in training for additional projects in this field. A listing of countries with such projects and the number of physical education volunteers follows:

Physical education volunteers overseas and in training, Aug. 31, 1963

Country	Overseas	In training	Total
Africa:			
Ivory Coast.....	6		6
Morocco.....		23	23
Senegal.....	9	4	13
Tunisia.....	17		17
Far East:			
Indonesia.....	17		17
Thailand.....	13		13
Latin America:			
Colombia.....	27		27
Ecuador.....		11	11
Jamaica.....	9		9
Venezuela.....		30	30
Near East/South Asia: Ceylon.....	9		9
Total.....	107	68	175

While physical education projects may be desirable and worthwhile, the Committee questions their value to an under-developed country, especially when the Congress is being called upon to provide economic assistance appropriations of \$228,125,000 to assist the same 11 countries in their economic development. It would appear to the Committee that if these countries are proposed to receive that much money for economic development purposes, then the Peace Corps projects should also be directed toward their economic development.

The Budget proposed a limitation of \$20,500,000 on administrative expenses of the Peace Corps in fiscal year 1964, an increase of \$5,030,000 above the fiscal year 1963 obligations. The revised 1964 estimate noted above also reduced the administrative expenses estimate to \$20,300,000. The Committee recommends a limitation of \$19,500,000 for the purpose in fiscal year 1964.

Included within the administrative expense limitation is an estimate of \$1,000,000 for research, which represents an increase of 150 percent above the 1963 program. The types of research projects carried on in fiscal year 1963, and a brief description of the proposed 1964 research program are described below:

Planned projects fiscal year 1963

	<i>Estimated cos</i>
Evaluation of Peace Corps project in Nigeria.....	\$69, 800
Analysis of motives for applying to the Peace Corps.....	15, 125
Research and measurement of the effect of the Peace Corps plan nacional program in Peru.....	24, 651
Feasibility study for research and measurement of the volunteer's effectiveness and effect of the Peace Corps teacher program in Ethiopia..	4, 768
Obligations through Mar. 31, 1963.....	114, 344
Continuation of the study of the Peace Corps secondary school teaching program on school administration in Ethiopia.....	130, 000
Study of why people decline invitations to Peace Corps training.....	20, 656
Analytical work involved in assessment of changes in attitudes, beliefs, personality characteristics and career goals of volunteers over the period of their term of service.....	25, 000
Development of measures of language proficiency in Spanish and Portuguese to serve as a better basis for evaluating and predicting the likely effectiveness of the volunteer in Latin America.....	30, 000
A study of the short- and long-term effects on volunteer self-confidence of Puerto Rico and New Mexico camp training.....	25, 000
This will include the computer operations for the correlations of selection data and predictions with oversea performance rating.....	20, 000
Development and validation of an acceptable measure of personality which can be administered before invitation to training in the hope of weeding out earlier applicants who are found to be unsatisfactory in terms of their personal qualities during the training program.....	15, 000
Development of critical incidents and case material based on Peace Corps volunteers' successful and unsuccessful experience which can be introduced in training to prepare volunteers for cross-cultural adjustments and relationships they will have to master overseas.....	10, 000
A study of the feasibility for research on the effect of the teachers aid program in the Philippines.....	10, 000
Estimated obligations Apr. 1 to June 30, 1963.....	285, 656
Total obligations fiscal year 1963.....	400, 000

PLANNED PROJECTS, FISCAL YEAR 1964

Study the effect of community development programs, education programs, and health or multipurpose programs in selected countries of Africa, Latin America, and the combined Far East-Near East-southeast Asia complex. By this means, a determination can be made on the differences in effect because of broad geographical and cultural differences, as well as those effects which are due primarily to the peculiar composition of the Peace Corps teams.

It is estimated that seven studies will be initiated, at an average cost of \$100,000 each (\$700,000). (Such a study is now in process involving activities like community development. The study is designed in a way that will permit comparison of changes in communities that have Peace Corps volunteers with communities that do not. Differences in the two communities during and after the 2-year term of service of the volunteer will reflect the impact of the volunteers. Measurements in the communities will include growth in initiative in solving their own local problems, economic growth, and extent to which democratic approaches to community problems are used.)

Research will also be aimed at making volunteers more proficient in foreign language skills and in studies related to rendering more effective other facets of the selection, training, and support of volunteers overseas. Experience dictates that an applied operational research program such as ours must be responsive to research needs which develop out of the operations and cannot always be predicted far in advance. (Cost, \$300,000.)

Total cost, \$1 million.

Another item that concerned the Committee is the rental cost of staff housing overseas. The Budget estimate for the purpose is \$325,000 for rental of 124 residences, or an average annual rental cost of \$2,621 per residence. This compares with the average cost of \$2,380 per year as of June 30. Information submitted by the Agency indicated that the highest annual rental for staff housing was \$6,367 in the Ivory Coast, exclusive of utilities. Such a rate is exorbitant and the Committee suggests that the Peace Corps continue every effort to obtain adequate housing at reasonable rates.

In his general statement to the Committee, Director Shriver stated:

Requests from host countries: These requests are far in excess of the number we will be able to provide. Every country which now has volunteers wants more. Countries not having any have urgently requested us to send some.

I might say there are approximately two dozen countries that have asked the Peace Corps to come to them, that we have not gone to.

Director Shriver further stated during his testimony as to the success of the Peace Corps:

The second thing is that we do not rely strictly or solely on statements by people in the executive branch or by people who work with the Peace Corps to determine whether the Peace Corps is successful overseas. These reports which were given to the Congress contain a large number of quotations from people who are men like the Vice President of the Phillippines, the speaker of the house of representatives in Sierra Leone, the Governor General of Nigeria, the President of one country or another. We have similar statements from superintendents of schools, from administrators of hospitals all over the world who testify to the work that the Peace Corps has actually been performing in those countries.

Despite the apparently overwhelming acceptance and success of the Peace Corps, according to the foreign countries which have benefited from its operations, the Committee ascertained that as of June 30, all of the host countries that have projects now and want more volunteers have only contributed approximately \$3,336,000 toward meeting some of the local expenses of the Peace Corps in their countries. It would appear to the Committee that if the Peace Corps is so successful in the eyes of the host countries, they should give consideration to taking over completely the projects initiated by the Peace Corps now that they have proven successful, or if complete takeover of the projects is not feasible at this time, the host countries should give serious consideration to increasing their contribution. The Committee hopes that the Peace Corps will work toward both these objectives in the future.

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY

1964 estimate.....	\$14, 366, 000
1963 appropriation.....	8, 954, 150
Recommended for 1964.....	10, 000, 000

The Budget proposed the following programs for this item in fiscal year 1964 which are compared with the programs in fiscal year 1963:

Purpose of projects	Estimated obligations, fiscal year 1963	Estimate, fiscal year 1964
Administrative activities.....	\$2, 004, 150	\$2, 366, 000
Pay of civilian employees.....	1, 665, 000	1, 930, 000
Travel of civilian employees.....	82, 000	150, 000
Information materials and services.....	101, 000	125, 000
Incidental operating expenses.....	156, 000	161, 000
Aid to Ryukyuan economy.....	6, 950, 150	12, 000, 000
Reimbursement for government services.....	945, 000	1, 150, 000
Contribution to government projects.....	5, 580, 000	7, 200, 000
Transportation of commodities.....	5, 000	5, 000
Technical education and training.....	295, 000	470, 000
Technical cooperation.....	125, 000	175, 000
Construction of water system.....		2, 000, 000
Disaster relief.....		1, 000, 000
Total.....	8, 954, 150	14, 366, 000

The Committee recommends the appropriation of \$10,000,000, which is \$1,045,850 above the funds available in 1963. The Committee has specifically denied the request for \$1,000,000 for the Disaster Relief Contingency Fund.

The Committee has inquired into programs financed by the General Fund in the past several years and is somewhat concerned about the availability of this fund to finance projects and programs that have not been discussed with the Congress and the fact that funds for proposed General Fund programs and projects, which are presented to the Congress in the Budget, are adjusted up and down with approval necessary only by the Bureau of the Budget. In the future the Committee desires to receive information regarding changes proposed to be made in the annual general fund programs.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SOCIAL SECURITY ADMINISTRATION

Assistance to Refugees in the United States

1964 estimate.....	\$70, 000, 000
1963 appropriation.....	70, 110, 000
Recommended for 1964.....	56, 000, 000

This program provides assistance to Cuban refugees who have fled from Communist Cuba and sought refuge in the United States. The principal port of entry is Miami, Florida. The Budget proposed an appropriation of \$70,000,000 for this purpose, which was allocated to the following activities:

Description	1963 allocation		1964 estimate	
	Posi- tions	Amount	Posi- tions	Amount
Direction and coordination of program, including reception, registration, and classification of refugees.....	115	\$924,000	115	\$1,025,000
Welfare assistance and services.....		40,864,000		41,651,000
Resettlement and employment opportunities.....		3,965,000		2,704,000
Education.....		9,389,000		9,889,000
Health services.....		1,168,000		1,501,000
Contingencies.....				13,230,000
Total obligations.....	115	56,310,000	115	70,000,000
Unobligated balance.....		13,800,000		
Total obligations and balance.....	115	70,110,000	115	70,000,000

The Committee recommends an appropriation of \$56,000,000, plus the reappropriation of approximately \$14 million in unobligated funds on hand as of June 30, 1963, for this program during fiscal year 1964, which will provide the same financial resources as was available in fiscal year 1963. The Committee has also taken cognizance of the following provision of Public Law 87-510 which is a source of additional funds for this refugee program in the event it should become necessary:

SEC. 2(c). Whenever the President determines it to be important to the national interest not exceeding \$10 million in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to and consolidated with funds made available for this act in order to meet unexpected urgent refugee and migration needs.

The Committee again this year reviewed the cost of foster home care which is currently at the rate of \$5.50 per day. The Committee seriously questions the wisdom of and the value received for the 50 cents per day per child payment which is received by the four voluntary agencies in Miami for making arrangements throughout the country with child-placing institutions and agencies. The 4 voluntary agencies continue to receive this 50 cents per day per child even though the child is under the jurisdiction of a child placing agency in a State thousands of miles away. This arrangement is in effect until the Social Security Administration is no longer responsible for the child due to adoption, death, the child reaching adulthood, or other pertinent reasons. The Committee can see no logic to the position that the 4 voluntary agencies in Miami should continue to receive this 50 cents

per day per child for administrative expenses for an indefinite period and requested the Administration to submit a report to it on the feasibility of a limitation on the number of months or years that the 4 voluntary agencies could receive this fee. The report indicated that this 50 cents per day per child allocation to the 4 Miami voluntary agencies is presently outside the control of the Social Security Administration. The Committee suggests that this arrangement should receive attention by the Administration the next time the contract with the voluntary agencies is reviewed.

In connection with this item, the Committee was somewhat astonished to learn that the administrative agency, relying on Section 2(e) of the authorization law, has raised the question and apparently tends to the view that the appropriation of \$70,000,000 in the 1963 appropriation act, even in the absence of express provision to that effect in the appropriation act, is available continuously without regard to fiscal year time limitation.

Section 2(e) of Public Law 87-510, the basic authorization statute, states:

Sec. 2(e). * * * Funds appropriated for the purposes of this section shall remain available until expended.

The custom and practice of the Committee on Appropriations has been to recommend appropriations on an annual basis unless there is some valid reason to make the item available for longer than a one-year period. The most common technique in the latter instances is to add the words "to remain available until expended" to the appropriation paragraph.

In numerous instances, and in this one in particular, the Congress has in the underlying enabling legislation authorized appropriations therefor to be made on an "available until expended" basis. When he submits the budget, the President generally includes the phrase "to remain available until expended" in the proposed appropriation language if that is what the Executive wishes to propose. The Committee either concurs or drops the phrase from the appropriation language.

Last year, the President submitted his request for funds for this program in H. Doc. No. 514, as follows:

ASSISTANCE TO REFUGEES IN THE UNITED STATES

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5, U.S.C. 55a), \$70,110,000, *to remain available until expended: Provided, That this appropriation shall reimburse other current applicable appropriations for activities conducted after June 30, 1962, pursuant to section 7 of the Migration and Refugee Assistance Act of 1962.* [Italic supplied.]

The Committee thought the funds should be on a 1-year basis, thus the phrase "to remain available until expended" was not in the bill as reported. The final law also failed to include the phrase or any other express language of similar import. Thus Congress took affirmative action to limit the availability to the fiscal year 1963 only.

In addition, section 718 of Title 31 of the United States Code reads as follows:

§ 718. Appropriations in annual appropriation acts not permanent.

No specific or indefinite appropriation made subsequent to August 24, 1912, in any regular annual appropriation Act shall be construed to be permanent or available continuously without reference to a fiscal year unless it belongs to one of the following four classes: "Rivers and Harbors," "light-houses," "public buildings," and "pay of the Navy and Marine Corps," last specifically named in and excepted from the operation of the provisions of section 713 of this title, *or unless it is made in terms expressly providing* that it shall continue available beyond the fiscal year for which the appropriation Act in which it is contained makes provision. (Aug. 24, 1912, ch. 355 § 7, 37 Stat. 487; Mar. 3, 1919, ch. 99, § 6, 40 Stat. 1309.) [Italic supplied.]

The above quoted 31 U.S.C. 718 seems clearly to govern and, in respect to the instant class of appropriation, to require *the act making the appropriation to expressly* provide for availability longer than 1 year if the enacting clause limiting the appropriations in the law to a given fiscal year is to be overcome as to any specific appropriation therein made. And it accords with the rule of reason and ancient practice to retain control of such an elementary matter wholly within the terms of the law making the appropriation. The two hang together. But in view of the question in the present case and the possibility of similar questions in a number of others, consideration may have to be given to revising the provisions of 31 U.S.C. 718 to make its scope and meaning crystal clear and perhaps update it as may otherwise appear desirable.

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Contributions to International Organizations

1964 estimate.....	\$18,374,000
Recommended for 1964.....	18,374,000

The Committee considered a supplemental estimate of \$18,374,000, contained in H. Doc. 174, for contributions to the peace-keeping activities of the United Nations and recommends the appropriation of \$18,374,000 for this purpose in fiscal year 1964.

MIGRATION AND REFUGEE ASSISTANCE

1964 estimate.....	\$10,683,000
1963 appropriation.....	14,947,000
Recommended for 1964.....	10,550,000

The budget estimate of \$10,683,000 was requested to finance the following activities:

Activity	1962	1963	1964 estimate
Contributions to Intergovernmental Committee for European Migration	\$3, 200	\$9, 275	\$5, 500
Contributions to Program of United Nations High Commissioner for Refugees	1, 200	900	750
Refugees from European Communist Countries	850	1, 450	1, 250
Refugees from Communist China	1, 055	2, 100	2, 000
Algerian refugees	100		
Tibetan refugees	50	432	400
Other Refugee Situations		122	100
Administration	944	668	683
Total	7, 399	14, 947	10, 683

The major reason for the program decrease in fiscal year 1964 is due to the fact that the fiscal year 1963 appropriation included \$2,775,000 for the 1962 program. This action enabled the United States to put its contribution on a calendar year basis, the same period on which other nations are contributing to the program.

For these contributions to international and voluntary refugee relief organizations, the Committee recommends an appropriation of \$10,550,000.

The Committee has specifically denied the estimate of \$100,000 for "Other Refugee Situations," which is, in effect, a contingency fund, and it also recommends that "Administration" be allocated \$650,000.

INTER-AMERICAN DEVELOPMENT BANK

1964 estimate	\$50, 000, 000
1963 appropriation	60, 000, 000
Recommended for 1964	50, 000, 000

Last year the Congress appropriated \$60,000,000 to complete the United States subscription to the capital stock of the bank. To date, the United States has made contributions as follows:

Callable capital stock	\$200, 000, 000
Paid-in capital stock	150, 000, 000
Fund for Special Operations	100, 000, 000
Total	450, 000, 000

The balance of the Bank's resources, \$509,476,000 has been contributed by the other 19 Latin American Republics, with the exception of Cuba, who is not a member of the Bank.

The present estimate of \$50,000,000 as a U.S. contribution to the Fund for Special Operations is the U.S. share of a proposed increase of \$73,158,000 in the Fund. In addition, the Act which authorizes this appropriation, Public Law 88—, approved —, also increases the U.S. contribution to the capital stock of the Bank by \$412,000,000. No request for an appropriation of this latter amount is proposed by the Budget at this time. However, the Congress may be called upon to appropriate the additional \$412,000,000 at some time in the future.

The Committee recommends the appropriation of \$50,000,000 for the Special Operations Fund. This recommended appropriation plus

the appropriation by other Latin American Republics of the balance of the proposed increase, \$23,158,000, will replenish the assets of the Fund. As of June 30, 1963, the Fund has approved 33 loans with a value of \$116,908,000, leaving a balance of \$29,408,000 for lending during fiscal year 1964 and thereafter.

Last year the Committee commented on the apparent excessive costs of the annual meetings of the Board of Governors of the Bank. The following table gives a breakdown of the various items of expense of these annual meetings:

INTER-AMERICAN DEVELOPMENT BANK

Special report of expenses—1961, 1962, 1963 Board of Governors

	Rio de Janeiro 1961 expenses	Buenos Aires 1962 expenses	Caracas 1963 estimated final expenses
1. Travel.....	\$92,698	\$133,220	\$115,000
2. Representation.....	17,745	10,899	15,617
3. Local personnel.....	19,638	27,685	41,586
4. Printing.....	6,859	6,711	8,099
5. Rental of equipment.....	1,560	6,960	8,622
6. Hotel deposits.....			700
7. Contingencies and miscellaneous expenses.....	4,858	22,026	12,000
Total.....	143,358	207,501	201,624

While there appears to be a leveling off of the expenses of these annual meetings the Committee is quite concerned with the cost of such meetings. It is of the opinion that the costs of the meetings far exceeds the value received, and it is of the opinion that the resources of the Bank can be better utilized in support of the Bank's basic objective, which is the economic development of Latin America.

Last year the Committee commented on the practice of the Treasury in paying the U.S. subscription when due, only to have the Bank re-invest a portion of the payment in U.S. securities. The Committee is pleased to report this year that the United States has taken back and substituted non-interest-bearing notes to the extent of \$75,000,000 of the Ordinary Capital subscription and \$50,000,000 of the Fund for Special Operations subscription. The Treasury also plans to use a non-interest-bearing note payment procedure if this appropriation is approved by the Congress.

INTERNATIONAL DEVELOPMENT ASSOCIATION

1964 estimate.....	\$61,656,000
1963 appropriation.....	61,656,000
Recommended for 1964.....	61,656,000

The Committee recommends the appropriation of the budget estimate of \$61,656,000, which is the fourth installment of the U.S. subscription to this affiliate of the World Bank. Public Law 86-565, approved June 30, 1960, authorized a total subscription of \$320,290,000, of which \$196,978,700 has been appropriated to date. If this appropriation is approved, an additional payment of \$61,656,000 will be required in fiscal year 1965 under this authorization.

As of June 30, 1963, the International Development Association had 76 members with total assets of \$969,677,399. Of this amount \$595,781,250 has been paid in as of that date.

As of June 30, 1963, IDA had authorized 39 loans with a value of \$495,150,000, as indicated in the following table:

Country	Project	Amount of loan
Chile.....	Road construction.....	\$19,000,000
China.....	Harbor dredging.....	2,200,000
	Ground water development.....	3,700,000
	Municipal water supply.....	4,400,000
	Development of private industry.....	5,000,000
Colombia.....	Road project.....	19,500,000
Costa Rica.....	Road construction and maintenance.....	5,500,000
El Salvador.....	Third highway project.....	8,000,000
Ethiopia.....	Road development.....	13,500,000
Haiti.....	Interim highway project.....	350,000
Honduras.....	Western highway improvement.....	9,000,000
India.....	Highway construction and improvement.....	60,000,000
	Tubewell irrigation.....	6,000,000
	Shetrunji irrigation project.....	4,500,000
	Salandi irrigation project.....	8,000,000
	Punjab flood protection and drainage.....	10,000,000
	Durgapur power extension.....	18,500,000
	Sinc irrigation project.....	15,000,000
	Purna irrigation project.....	13,000,000
	Second Koyna power project.....	17,500,000
	Bombay port project.....	18,000,000
	Telecommunications.....	42,000,000
	Railway improvement.....	67,500,000
	Kothagudem power project.....	20,000,000
Jordan.....	Amman water supply project.....	2,000,000
Korea.....	Railway development.....	14,000,000
Nicaragua.....	Managua water supply project.....	3,000,000
Pakistan.....	Dacca irrigation project.....	1,000,000
	Inland ports project.....	2,000,000
	Khairpur irrigation project.....	18,000,000
	Industrial estates project.....	6,500,000
	Brahmaputra flood project.....	5,000,000
Paraguay.....	Highway improvement and maintenance.....	6,000,000
Sudan.....	Roseires irrigation project.....	13,000,000
Tunisia.....	School construction.....	5,000,000
Turkey.....	Development of private industry.....	5,000,000
	Cukurova power project.....	1,700,000
	Seyhan irrigation project.....	20,000,000
U.K., Swaziland.....	Highway construction.....	2,800,000
Total.....		495,150,000

As the above table indicates, India is the largest borrower of funds from this organization, having received 13 loans with a value of \$300,000,000.

Legislation has also been introduced in the Congress (S. 2214, dated October 7, 1963) which would authorize an additional appropriation of \$312,000,000 as the United States contribution to increased resources of the Association.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating and administrative expenses.—The President's Budget proposed an operating expense budget of \$1,317,866,000 including \$3,500,000 for administrative expenses of the Bank. The Committee has approved the budget estimate for both purposes and has included limitations in the bill to that effect.

Included in the overall limitation is a limitation of \$963,500,000 for commitments for development project loans, the same amount as the budget estimate for this purpose.

TITLE IV—LEGISLATIVE BRANCH

The bill includes, upon consideration and recommendation of the standing subcommittee concerned, a total of \$2,838,275 under eight heads of appropriation for the legislative branch for fiscal year 1964, all but one relating to ordinary running-type expenses for the House of Representatives and its members. With exception of the first item, the customary gratuity to widows of Members deceased since the last provision on the matter, the amounts are based on estimates submitted in H. Doc. 174 and are, in total, \$175,960 below them.

HOUSE OF REPRESENTATIVES

Miscellaneous items.—This is the part of the contingent fund which, by its nature, is most insusceptible to precise determination of requirements in advance as evidenced by provision in the regular bill allowing drawdown on succeeding year funds to meet assorted unforeseen expenses. The supplemental covers that factor, including, importantly, the two additional trips (for both 1963 and 1964) authorized by Public Law 88-70 and the new requirements under H. Res. 291, 88th Congress.

Reporting hearings.—\$48,000, the request, is included. The expense is governed by the volume of committee hearings occasioned, to some extent, by the length of the session.

Special and select committees.—The request, \$768,500, rests on specific resolutions approved by the House—namely, Nos. 497, 499, 521, 523, and 528. The reduction of \$103,000 was made because the amount associated with Resolution 523 reflects the full authorization and it seems improbable that the select committee, which has until December 1 next year to report, would use the full amount by the end of the fiscal year, June 30 next, when this appropriation expires.

Telephone and telegraph.—The request, \$515,000, is included. There was some over-run last year, within, however, authorized allowances. Then, H. Res. 531 authorizes additional units. And finally, some increased requirements are already in sight for some parts of the new office building although at this stage the precise fund requirements are uncertain.

Stationery allowances.—\$523,200 is included in pursuance of H. Res. 533, covering both sessions of the 88th Congress.

Postage stamps.—\$91,420 is included in pursuance of H. Res. 532, covering both sessions of the 88th Congress.

JOINT ITEMS

Joint Committee on Immigration and Nationality Policy.—After consultation, it was decided to defer the \$140,460 requested for this joint proposition for consideration when the next regular legislative bill is taken up. \$20,000 is available in the pending regular bill.

Education of pages.—The \$2,655 arises from a teacher salary adjustment. The school is operated by the D. C. government.

TITLE V—CLAIMS AND JUDGMENTS

The Committee has included \$12,982,095 in Federal funds for the payment of claims and judgments rendered against the United States, plus \$22,238 for the payment of District of Columbia claims, as set forth in House Document No. 182.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations not heretofore carried in connection with any appropriation bill are recommended:

On page 3, in connection with development loans:

Provided, That no part of this appropriation may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

On pages 10–11, in connection with General Provisions, title I:

SEC. 116. None of the administrative expense or other funds herein appropriated shall be available in connection with the use of receipts of United States dollars, derived from loan repayments and interest collections, in the Development Loan Fund and Alliance for Progress revolving funds.

SEC. 117. Receipts of United States dollars in the Development Loan Fund and Alliance for Progress revolving funds, derived from loan repayments and interest collections, may hereafter, when so specified in appropriation acts, be used for the purposes for which such revolving funds are available.

On page 11, in connection with the Peace Corps:

together with the unobligated balance of the appropriation under this head for the fiscal year 1963,

On page 13, in connection with assistance to refugees in the United States:

together with the unobligated balance of the appropriation under this head for the fiscal year 1963.

On page 20, in connection with General Provisions, Title VI:

SEC. 603. Appropriations and other funds made available in acts making appropriations for the fiscal year ending June 30, 1964, shall be reserved and withheld from obligation through the apportionment procedure prescribed by law (31 U.S.C. 665) to the maximum extent possible, as determined by the Director of the Bureau of the Budget, on account of savings arising from enactment of any such acts after the beginning of such fiscal year. Nothing herein shall be construed to limit existing authority of law for reserving appropriations.

On page 21, in connection with General Provisions, Title VI:

SEC. 604. No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any official, employee or other person serving in any office of any of the several States of the United States or any political subdivision thereof.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1963, AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1964**

TITLE I—FOREIGN AID (MUTUAL SECURITY)

Item	Appropriations, 1963	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				1963 appropriations	1964 estimates
FUNDS APPROPRIATED TO THE PRESIDENT					
ECONOMIC ASSISTANCE					
Development grants-----	\$225, 000, 000	¹ \$257, 000, 000	150, 000, 000	—75, 000, 000	—107, 000, 000
American schools and hospitals abroad-----	-----	² 20, 000, 000	14, 300, 000	+14, 300, 000	—5, 700, 000
American hospitals abroad (special foreign currency program)-----	2, 800, 000	² 2, 000, 000	4, 700, 000	+1, 900, 000	+2, 700, 000
Investment guarantees-----	30, 000, 000	-----	-----	—30, 000, 000	-----
International organizations and programs-----	148, 900, 000	³ 136, 050, 000	100, 000, 000	—48, 900, 000	—36, 050, 000
Supporting assistance-----	395, 000, 000	⁴ 435, 000, 000	300, 000, 000	—95, 000, 000	—135, 000, 000
Contingency fund-----	250, 000, 000	⁵ 300, 000, 000	50, 000, 000	—200, 000, 000	—250, 000, 000
Inter-American social and economic co-operation program-----	-----	² 200, 000, 000	100, 000, 000	+100, 000, 000	—100, 000, 000
Alliance for Progress, development loans-----	425, 000, 000	-----	350, 000, 000	—75, 000, 000	+350, 000, 000
Alliance for Progress, development grants-----	100, 000, 000	-----	80, 000, 000	—20, 000, 000	+80, 000, 000

Alliance for Progress-----	-----	^a 650,000,000	-----	-----	-650,000,000
Development loans-----	975,000,000	7 1,060,000,000	600,000,000	-375,000,000	-460,000,000
Administrative expenses, AID-----	^s 49,500,000	57,250,000	50,000,000	+500,000	-7,250,000
Administrative expenses, State-----	^s 2,700,000	3,025,000	2,700,000	-----	-325,000
Subtotal, economic assistance-----	2,603,900,000	3,120,325,000	1,801,700,000	-802,200,000	-1,318,625,000
MILITARY ASSISTANCE					.
Military assistance-----	1,325,000,000	^o 1,405,000,000	1,000,000,000	-325,000,000	-405,000,000
Limitation on administrative ex- penses-----	^s (24,500,000)	(25,000,000)	(24,000,000)	(-500,000)	(-1,000,000)
Total, title I, foreign aid (mu- tual security)-----	3,928,900,000	4,525,325,000	2,801,700,000	-1,127,200,000	-1,723,625,000

¹ Reflects reduction of \$18,000,000 contained in H. Doc. 101.

2 Contained in H. Doc. 101.

³ Reflects reduction of \$45,200,000 contained in H. Doc. 101.

⁴ Contains increase of \$38,000,000 contained in H. Doc. 101.

⁶ Reflects reduction of \$100,000,000 contained in H. Doc. 101.

⁶ Reflects reduction of \$50,000,000 contained in H. Doc. 101.

⁷ Reflects reduction of \$93,000,000 contained in H. Doc. 101.

⁸ Excludes Pay Act costs, derived by transfer from "Economic assistance" and "Military assistance" appropriations.

²⁰ Reflects reduction of \$75,000,000 contained in H. Doc. 101.

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964—Continued

TITLE II—FOREIGN AID (OTHER)

Item	Appropriations, 1963	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				1963 appropriations	1964 estimates
FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps-----	\$59, 000, 000	\$108, 000, 000	89, 000, 000	+ 30, 000, 000	- 19, 000, 000
Limitation on administrative expenses-----	¹⁰ (15, 500, 000)	(20, 500, 000)	(19, 500, 000)	(+ 4, 000, 000)	(- 1, 000, 000)
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
Ryukyu Islands, Army, administration--	8, 954, 150	14, 366, 000	10, 000, 000	+ 1, 045, 850	- 4, 366, 000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States-----	70, 110, 000	70, 000, 000	56, 000, 000	-- 14, 110, 000	- 14, 000, 000
DEPARTMENT OF STATE					
Contributions to International Organizations-----		¹¹ 18, 374, 000	18, 374, 000	+ 18, 374, 000	-----
Migration and refugee assistance-----		¹² 10, 683, 000	10, 550, 000	- 4, 397, 000	- 133, 000
FUNDS APPROPRIATED TO THE PRESIDENT					
Investment in Inter-American Development Bank-----	60, 000, 000	50, 000, 000	50, 000, 000	- 10, 000, 000	-----

Subscription to the International Development Association-----	61, 656, 000	61, 656, 000	-----
Loans to the International Monetary Fund-----	2, 000, 000, 000	-----	-2, 000, 000, 000
Total, title II, foreign aid (other) -	2, 274, 667, 150	333, 079, 000	-1, 979, 087, 150
			-37, 499, 000

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses-----	(\$1, 295, 000, 000)	¹³ (\$1, 314, 366, 000)	(+ 19, 366, 000)	-----
Limitation on administrative expenses---	(3, 122, 550)	(3, 500, 000)	(+ 377, 450)	-----
Total, title III, Export-Import Bank-----	(1, 298, 122, 550)	(1, 317, 866, 000)	(+ 19, 743, 450)	-----

¹⁰ Excludes Pay Act costs derived by transfer from "Peace Corps" appropriation.
¹¹ Contained in H. Doc. 174.
¹² Reflects reduction of \$1,117,000 contained in H. Doc. 83.
¹³ No specific limitation proposed; amount shown is proposed program.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

TITLE IV—LEGISLATIVE BRANCH

Item	Appropriations, 1963	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				1963 appropriations	1964 estimates
LEGISLATIVE BRANCH					
House of Representatives:					
Payments to widows of deceased members-----			\$67, 500	+ \$67, 500	+ \$67, 500
Contingent expenses of the House:					
Miscellaneous items-----		¹⁴ \$925, 000	925, 000	+ 925, 000	-----
Reporting hearings-----		¹⁴ 48, 000	48, 000	+ 48, 000	-----
Special and select committees-----		¹⁴ 768, 500	665, 500	+ 665, 500	— 103, 000
Telegraph and telephone-----		¹⁴ 515, 000	515, 000	+ 515, 000	-----
Stationery (revolving fund)-----		¹⁴ 523, 200	523, 200	+ 523, 200	-----
Postage stamps-----		¹⁴ 91, 420	91, 420	+ 91, 420	-----
JOINT ITEMS					
Joint Committee on Immigration and Nationality Policy-----		¹⁴ 140, 460			-- 140, 460
Education of pages-----		¹⁴ 2, 655	2, 655	+ 2, 655	-----
Total, House of Representatives-----		3, 014, 235	2, 838, 275	+ 2, 838, 275	— 175, 960

TITLE V—CLAIMS AND JUDGMENTS

CLAIMS AND JUDGMENTS		¹⁵ \$12, 982, 095 15 (22, 238)	12, 982, 095 (22, 238)	+ 12, 982, 095 (+ 22, 238)	----- ----- -----
Federal----- District of Columbia-----	----- -----				
Grand total, all titles of the bill----	\$6, 203, 567, 150	4, 874, 400, 330	3, 113, 100, 370	- 3, 090, 466, 780	- 1, 761, 299, 960

¹⁴ Included in H. Doc. 174.

¹⁵ Contained in H. Doc. 182.



Union Calendar No. 432

88TH CONGRESS
1ST SESSION

H. R. 9499

[Report No. 1040]

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 14, 1963

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the fiscal
- 5 year ending June 30, 1964, namely:

1 TITLE I—FOREIGN AID (MUTUAL SECURITY)

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 For expenses necessary to enable the President to carry
4 out the provisions of the Foreign Assistance Act of 1961,
5 as amended, to remain available until June 30, 1964, unless
6 otherwise specified herein, as follows:

7 ECONOMIC ASSISTANCE

8 Development grants: For expenses authorized by sec-
9 tion 212, \$150,000,000.

10 American schools and hospitals abroad: For expenses
11 authorized by section 214 (c) , \$14,300,000.

12 American hospitals abroad (special foreign currency
13 program) : For expenses authorized by section 214 (c) for
14 hospital construction, \$4,700,000, to be used to purchase
15 foreign currencies which the Treasury Department deter-
16 mines to be excess to the normal requirements of the United
17 States.

18 International organizations and programs: For expenses
19 authorized by section 302, \$100,000,000.

20 Supporting assistance: For expenses authorized by sec-
21 tion 402, \$300,000,000.

22 Contingency fund: For expenses authorized by section
23 451 (a) , \$50,000,000.

24 Inter-American social and economic cooperation pro-
25 gram: For expenses authorized by section 2 of the Act of

1 September 8, 1960 (74 Stat. 870), as amended, \$100,-
2 000,000, to remain available until expended.

3 Alliance for Progress, development loans: For assistance
4 authorized by section 252, \$350,000,000, to remain available
5 until expended.

6 Alliance for Progress, development grants: For expenses
7 authorized by section 252, \$80,000,000.

8 Development loans: For expenses authorized by section
9 202 (a), \$600,000,000, to remain available until expended:
10 *Provided*, That no part of this appropriation may be used
11 to carry out the provisions of section 205 of the Foreign
12 Assistance Act of 1961, as amended.

13 Administrative expenses: For expenses authorized by
14 section 637 (a), \$50,000,000.

15 Administrative and other expenses: For expenses
16 authorized by section 637 (b) of the Foreign Assistance Act
17 of 1961, as amended, and by section 305 of the Mutual De-
18 fense Assistance Control Act of 1951, as amended,
19 \$2,700,000.

20 Unobligated balances as of June 30, 1963, of funds
21 heretofore made available under the authority of the Foreign
22 Assistance Act of 1961, as amended, except as otherwise
23 provided by law, are hereby continued available for the fiscal
24 year 1964 for the same general purposes for which
25 appropriated.

1 MILITARY ASSISTANCE

2 Military assistance: For expenses authorized by section
3 504 (a) of the Foreign Assistance Act of 1961, as amended,
4 including administrative expenses authorized by section 636
5 (g) (1) of such Act, which shall not exceed \$24,000,000
6 for the current fiscal year, and purchase of passenger motor
7 vehicles for replacement only for use outside the United
8 States: *Provided*, That none of the funds contained in this
9 paragraph shall be available for the purchase of new auto-
10 motive vehicles outside of the United States, \$1,000,000,000.

11 GENERAL PROVISIONS

12 SEC. 101. None of the funds herein appropriated (other
13 than funds appropriated under the authorization for "Inter-
14 national organizations and programs") shall be used to
15 finance the construction of any new flood control, reclama-
16 tion, or other water or related land resource project or pro-
17 gram which has not met the standards and criteria used in
18 determining the feasibility of flood control, reclamation and
19 other water and related land resource programs and projects
20 proposed for construction within the United States of
21 America as per memorandum of the President dated May
22 15, 1962.

23 SEC. 102. Obligations made from funds herein appro-
24 priated for engineering and architectural fees and services
25 to any individual or group of engineering and architectural

1 firms on any one project in excess of \$25,000 shall be re-
2 ported to the Committees on Appropriations of the Senate
3 and House of Representatives at least twice annually.

4 SEC. 103. Except for the appropriations entitled "Con-
5 tingency fund" and "Development loans", not more than
6 20 per centum of any appropriation item made available
7 by this title shall be obligated and/or reserved during the
8 last month of availability.

9 SEC. 104. None of the funds herein appropriated nor
10 any of the counterpart funds generated as a result of assist-
11 ance hereunder or any prior Act shall be used to pay
12 pensions, annuities, retirement pay or adjusted service com-
13 pensation for any persons heretofore or hereafter serving in
14 the armed forces of any recipient country.

15 SEC. 105. The Congress hereby reiterates its opposition
16 to the seating in the United Nations of the Communist China
17 regime as the representative of China, and it is hereby de-
18 clared to be the continuing sense of the Congress that the
19 Communist regime in China has not demonstrated its willing-
20 ness to fulfill the obligations contained in the Charter of the
21 United Nations and should not be recognized to represent
22 China in the United Nations. In the event of the seating of
23 representatives of the Chinese Communist regime in the
24 Security Council or General Assembly of the United Nations
25 the President is requested to inform the Congress insofar as

1 is compatible with the requirements of national security, of
2 the implications of this action upon the foreign policy of the
3 United States and our foreign relationships, including that
4 created by membership in the United Nations, together with
5 any recommendations which he may have with respect to
6 the matter.

7 SEC. 106. It is the sense of Congress that any attempt
8 by foreign nations to create distinctions because of their race
9 or religion among American citizens in the granting of per-
10 sonal or commercial access or any other rights otherwise
11 available to United States citizens generally is repugnant
12 to our principles; and in all negotiations between the United
13 States and any foreign state arising as a result of funds ap-
14 propriated under this title these principles shall be applied
15 as the President may determine.

16 SEC. 107. (a) No assistance shall be furnished under the
17 Foreign Assistance Act of 1961, as amended, to any country
18 which sells, furnishes, or permits any ships under its registry
19 to carry to Cuba, so long as it is governed by the Castro
20 regime, in addition to those items contained on the list main-
21 tained by the Administrator pursuant to title I of the Mutual
22 Defense Assistance Control Act of 1951, as amended, any
23 arms, ammunition, implements of war, atomic energy mate-
24 rials, or any other articles, materials, or supplies of primary
25 strategic significance used in the production of arms, ammu-

1 nition, and implements of war or of strategic significance to
2 the conduct of war, including petroleum products.

3 (b) No economic assistance shall be furnished under
4 the Foreign Assistance Act of 1961, as amended, to any
5 country which sells, furnishes, or permits any ships under
6 its registry to carry items of economic assistance to Cuba, so
7 long as it is governed by the Castro regime, unless the Presi-
8 dent determines that the withholding of such assistance would
9 be contrary to the national interest and reports such deter-
10 mination to the Foreign Relations and Appropriations Com-
11 mittees of the Senate and the Foreign Affairs and Appropria-
12 tions Committees of the House of Representatives. Reports
13 made pursuant to this subsection shall be published in the
14 Federal Register within seven days of submission to the
15 committees and shall contain a statement by the President
16 of the reasons for such determination.

17 SEC. 108. Any obligation made from funds provided in
18 this title for procurement outside the United States of any
19 commodity in bulk and in excess of \$100,000 shall be
20 reported to the Committees on Appropriations of the Senate
21 and the House of Representatives at least twice annually:
22 *Provided*, That each such report shall state the reasons for
23 which the President determined, pursuant to criteria set forth
24 in section 604 (a) of the Foreign Assistance Act of 1961,

1 as amended, that foreign procurement will not adversely
2 affect the economy of the United States.

3 SEC. 109. (a) No assistance shall be furnished to any
4 nation, whose government is based upon that theory of
5 government known as communism under the Foreign As-
6 sistance Act of 1961, as amended, for any arms, ammunition,
7 implements of war, atomic energy materials, or any articles,
8 materials, or supplies, such as petroleum, transportation
9 materials of strategic value, and items of primary strategic
10 significance used in the production of arms, ammunition, and
11 implements of war, contained on the list maintained by the
12 Administrator pursuant to title I of the Mutual Defense
13 Assistance Control Act of 1951, as amended.

14 (b) No economic assistance shall be furnished to any
15 nation whose government is based upon that theory of gov-
16 ernment known as communism under the Foreign Assistance
17 Act of 1961, as amended (except section 214 (b)), unless
18 the President determines that the withholding of such assist-
19 ance would be contrary to the national interest and reports
20 such determination to the Foreign Affairs and Appropria-
21 tions Committees of the House of Representatives and
22 Foreign Relations and Appropriations Committees of the
23 Senate. Reports made pursuant to this subsection shall be
24 published in the Federal Register within seven days of sub-

1 mission to the committees and shall contain a statement by
2 the President of the reasons for such determination.

3 SEC. 110. None of the funds appropriated or made
4 available pursuant to this Act for carrying out the Foreign
5 Assistance Act of 1961, as amended, may be used for mak-
6 ing payments on any contract for procurement to which the
7 United States is a party entered into after the date of enact-
8 ment of this Act which does not contain a provision authoriz-
9 ing the termination of such contract for the convenience of
10 the United States.

11 SEC. 111. None of the funds appropriated or made
12 available under this Act for carrying out the Foreign Assist-
13 ance Act of 1961, as amended, may be used to make pay-
14 ments with respect to any contract for the performance of
15 services outside the United States by United States citizens
16 where such citizens have not been investigated for loyalty
17 and security in the same manner and to the same extent as
18 would apply if they were regularly employed by the United
19 States.

20 SEC. 112. None of the funds appropriated or made
21 available under this Act for carrying out the Foreign Assist-
22 ance Act of 1961, as amended, may be used to make pay-
23 ments with respect to any capital project financed by loans

1 or grants from the United States where the United States
2 has not directly approved the terms of the contracts and the
3 firms to provide engineering, procurement, and construction
4 services on such project.

5 SEC. 113. Of the funds appropriated or made available
6 pursuant to this Act not more than \$6,000,000 may be used
7 during the fiscal year ending June 30, 1964, in carrying out
8 section 241 of the Foreign Assistance Act of 1961, as
9 amended.

10 SEC. 114. None of the funds appropriated or made
11 available pursuant to this Act for carrying out the Foreign
12 Assistance Act of 1961, as amended, may be used to pay in
13 whole or in part any assessments, arrearages or dues of any
14 member of the United Nations.

15 SEC. 115. Foreign currencies not to exceed \$200,000,
16 made available for loans pursuant to section 104 (e) of the
17 Agricultural Trade Development and Assistance Act of
18 1954, as amended, shall be available during the current
19 fiscal year for expenses incurred incident to such loans.

20 SEC. 116. None of the administrative expense or other
21 funds herein appropriated shall be available in connection
22 with the use of receipts of United States dollars, derived from
23 loan repayments and interest collections, in the Development
24 Loan Fund and Alliance for Progress revolving funds.

25 SEC. 117. Receipts of United States dollars in the

1 Development Loan Fund and Alliance for Progress revolving
2 funds, derived from loan repayments and interest collections,
3 may hereafter, when so specified in appropriation Acts, be
4 used for the purposes for which such revolving funds are
5 available.

6 TITLE II—FOREIGN AID (OTHER)

7 FUNDS APPROPRIATED TO THE PRESIDENT

8 PEACE CORPS

9 For expenses necessary to enable the President to carry
10 out the provisions of the Peace Corps Act (75 Stat. 612),
11 as amended, including purchase of not to exceed five pas-
12 senger motor vehicles for use outside the United States,
13 \$89,000,000, together with the unobligated balance of the
14 appropriation under this head for the fiscal year 1963, of
15 which not to exceed \$19,500,000 shall be available for
16 administration and program support costs.

17 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

18 RYUKYU ISLANDS, ARMY

19 ADMINISTRATION

20 For expenses, not otherwise provided for, necessary to
21 meet the responsibilities and obligations of the United States
22 in connection with the government of the Ryukyu Islands,
23 as authorized by the Act of July 12, 1960 (74 Stat. 461),
24 as amended (76 Stat. 742) ; services as authorized by sec-
25 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-

1 viduals not to exceed ten in number; not to exceed \$4,000
2 for contingencies for the High Commissioner, to be expended
3 in his discretion; hire of passenger motor vehicles and air-
4 craft; purchase of six passenger motor vehicles, of which four
5 shall be for replacement only; and construction, repair, and
6 maintenance of buildings, utilities, facilities, and appurte-
7 nances; \$10,000,000, of which not to exceed \$2,000,000
8 shall be available for administrative and information
9 expenses, and \$2,000,000 shall be available for transfer to
10 the Ryukyu Domestic Water Corporation for construction of
11 a portion of the integrated island water system: *Provided*,
12 That expenditures from this appropriation may be made
13 outside continental United States when necessary to carry
14 out its purposes, without regard to sections 355 and 3648,
15 Revised Statutes, as amended, section 4774 (d) of title 10,
16 United States Code, civil service or classification laws, or
17 provisions of law prohibiting payment of any person not
18 a citizen of the United States: *Provided further*, That
19 funds appropriated hereunder may be used, insofar as prac-
20 ticable, and under such rules and regulations as may be
21 prescribed by the Secretary of the Army to pay ocean trans-
22 portation charges from United States ports, including terri-
23 torial ports, to ports in the Ryukyus for the movement of
24 supplies donated to, or purchased by, United States voluntary
25 nonprofit relief agencies registered with and recommended by

1 the Advisory Committee on Voluntary Foreign Aid or of
 2 relief packages consigned to individuals residing in such
 3 areas: *Provided further*, That the President may transfer
 4 to any other department or agency any function or functions
 5 provided for under this appropriation, and there shall be
 6 transferred to any such department or agency, without reim-
 7 bursement and without regard to the appropriation from
 8 which procured, such property as the Director of the Bureau
 9 of the Budget shall determine to relate primarily to any
 10 function or functions so transferred.

11 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

12 ASSISTANCE TO REFUGEES IN THE UNITED STATES

13 For expenses necessary to carry out the provisions of
 14 the Migration and Refugee Assistance Act of 1962 (Public
 15 Law 87-510), relating to aid to refugees within the United
 16 States, including hire of passenger motor vehicles, and serv-
 17 ices as authorized by section 15 of the Act of August 2, 1946
 18 (5 U.S.C. 55a), \$56,000,000, together with the unobligated
 19 balance of the appropriation under this head for the fiscal
 20 year 1963.

21 DEPARTMENT OF STATE

22 INTERNATIONAL ORGANIZATIONS AND CONFERENCES

23 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

24 For an additional amount for "Contributions to inter-
 25 national organizations", \$18,374,000.

1 MIGRATION AND REFUGEE ASSISTANCE

2 For expenses, not otherwise provided for, necessary to
3 enable the Secretary of State to provide assistance to refu-
4 gees, as authorized by law, including contributions to the
5 Intergovernmental Committee for European Migration and
6 the United Nations High Commissioner for Refugees;
7 salaries, expenses, and allowances of personnel and depend-
8 ents as authorized by the Foreign Service Act of 1946, as
9 amended (22 U.S.C. 801-1158) ; hire of passenger motor
10 vehicles; and services as authorized by section 15 of the Act
11 of August 2, 1946 (5 U.S.C. 55a) ; \$10,550,000: *Provided*,
12 That no funds herein appropriated shall be used to assist
13 directly in the migration to any nation in the Western
14 Hemisphere of any person not having a security clearance
15 based on reasonable standards to insure against Communist
16 infiltration in the Western Hemisphere.

17 FUNDS APPROPRIATED TO THE PRESIDENT

18 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

19 For payment of subscriptions to the Inter-American De-
20 velopment Bank for expansion of the Fund for Special
21 Operations, \$50,000,000, to remain available until expended.

1 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

2 ASSOCIATION

3 For payment of the fourth installment of the subscription
4 of the United States to the International Development Asso-
5 ciation, \$61,656,000, to remain available until expended.

6 TITLE III—EXPORT-IMPORT BANK OF

7 WASHINGTON

8 The Export-Import Bank of Washington is hereby
9 authorized to make such expenditures within the limits of
10 funds and borrowing authority available to such corporation,
11 and in accord with law, and to make such contracts and com-
12 mitments without regard to fiscal year limitations as provided
13 by section 104 of the Government Corporation Control Act,
14 as amended, as may be necessary in carrying out the pro-
15 grams set forth in the budget for the current fiscal year for
16 such corporation, except as hereinafter provided:

17 LIMITATION ON OPERATING EXPENSES

18 Not to exceed \$1,314,366,000 (of which not to exceed
19 \$963,500,000 shall be for development loans) shall be au-
20 thorized during the current fiscal year for other than admin-
21 istrative expenses.

1 LIMITATION ON ADMINISTRATIVE EXPENSES 1

2 Not to exceed \$3,500,000 (to be computed on an
3 accrual basis) shall be available during the current fiscal
4 year for administrative expenses, including services as au-
5 thorized by section 15 of the Act of August 2, 1946 (5
6 U.S.C. 55a), at rates not to exceed \$75 per diem for indi-
7 viduals, purchase of one passenger motor vehicle (for
8 replacement only) at not to exceed \$3,000, and not to
9 exceed \$9,000 for entertainment allowances for members of
10 the Board of Directors: *Provided*, That (1) fees or dues to
11 international organizations of credit institutions engaged in
12 financing foreign trade, (2) necessary expenses (including
13 special services performed on a contract or fee basis, but not
14 including other personal services) in connection with the
15 acquisition, operation, maintenance, improvement, or disposi-
16 tion of any real or personal property belonging to the Bank
17 or in which it has an interest, including expenses of collec-
18 tions of pledged collateral, or the investigation or appraisal
19 of any property in respect to which an application for a loan
20 has been made, and (3) expenses (other than internal
21 expenses of the Bank) incurred in connection with the
22 issuance and servicing of guarantees, insurance, and
23 reinsurance shall be considered at nonadministrative expenses
24 for the purposes hereof.

TITLE IV—LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

For payment to Mae Doyle Walter, widow of Francis E. Walter, late a Representative from the State of Pennsylvania, \$22,500.

For payment to Clara H. Nygaard, widow of Hjalmar C. Nygaard, late a Representative from the State of North Dakota, \$22,500.

For payment to Susan G. Gavin, widow of Leon H. Gavin, late a Representative from the State of Pennsylvania, \$22,500.

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous Items

For an additional amount for "Miscellaneous items", \$925,000.

Reporting Hearings

For an additional amount for "Reporting hearings", \$48,000.

Special and Select Committees

For an additional amount for "Special and select committees", \$665,500.

Telegraph and Telephone

For an additional amount for "Telegraph and telephone", \$515,000.

1 Stationery (Revolving Fund)

2 For an additional amount for "Stationery (revolving
3 fund)", to remain available until expended: first session of
4 the Eighty-eighth Congress, \$261,600; second session of the
5 Eighty-eighth Congress, \$261,600.

6 Postage Stamps

7 For an additional amount for "Postage stamps", to re-
8 main available until expended: first session of the Eighty-
9 eighth Congress, \$45,710; second session of the Eighty-
10 eighth Congress, \$45,710.

11 JOINT ITEMS

12 Education of Pages

13 For an additional amount for "Education of pages",
14 \$2,655, which amount shall be advanced and credited to the
15 applicable appropriation of the District of Columbia.

16 TITLE V—CLAIMS AND JUDGMENTS

17 FEDERAL FUNDS

18 CLAIMS AND JUDGMENTS

19 For payment of claims as settled and determined by de-
20 partments and agencies in accord with law, and judgments
21 rendered against the United States by the United States
22 Court of Claims and United States district courts, as set forth
23 in House Document Numbered 182, Eighty-eighth Con-
24 gress, \$12,982,095, together with such amounts as may be

1 necessary to pay interest (as and when specified in such
2 judgments or provided by law) and such additional sums
3 due to increases in rates of exchange as may be necessary
4 to pay claims in foreign currency: *Provided*, That no judg-
5 ment herein appropriated for shall be paid until it shall have
6 become final and conclusive against the United States by
7 failure of the parties to appeal or otherwise: *Provided fur-*
8 *ther*, That, unless otherwise specifically required by law or
9 by the judgment, payment of interest wherever appropriated
10 for herein shall not continue for more than thirty days after
11 the date of approval of this Act.

12 DISTRICT OF COLUMBIA FUNDS

13 SETTLEMENT OF CLAIMS AND SUITS

14 For the payment of claims in excess of \$250, approved
15 by the Commissioners in accordance with the provisions of
16 the Act of February 11, 1929, as amended (45 Stat. 1160;
17 46 Stat. 500; 65 Stat. 131), \$22,238, which shall be pay-
18 able from the general fund of the District of Columbia.

19 TITLE VI—GENERAL PROVISIONS

20 SEC. 601. No part of any appropriation contained in
21 this Act shall be used for publicity or propaganda purposes
22 within the United States not heretofore authorized by the
23 Congress.

24 SEC. 602. None of the funds herein appropriated shall

1 be used for expenses of the Inspector General, Foreign As-
2 sistance, after the expiration of the thirty-five day period
3 which begins on the date the General Accounting Office or
4 any committee of the Congress, or any duly authorized sub-
5 committee thereof, charged with considering foreign assist-
6 ance legislation, appropriations, or expenditures, has de-
7 livered to the office of the Inspector General, Foreign
8 Assistance, a written request that it be furnished any docu-
9 ment, paper, communication, audit, review, finding, recom-
10 mendation, report, or other material in the custody or control
11 of the Inspector General, Foreign Assistance, relating to any
12 review, inspection, or audit arranged for, directed, or con-
13 ducted by him, unless and until there has been furnished to
14 the General Accounting Office or to such committee or sub-
15 committee, as the case may be, (A) the document, paper,
16 communication, audit, review, finding, recommendation, re-
17 port, or other material so requested or (B) a certification by
18 the President, personally, that he has forbidden the furnish-
19 ing thereof pursuant to such request and his reason for so
20 doing.

21 SEC. 603. Appropriations and other funds made avail-
22 able in acts making appropriations for the fiscal year ending
23 June 30, 1964, shall be reserved and withheld from obliga-
24 tion through the apportionment procedure prescribed by law
25 (31 U.S.C. 665) to the maximum extent possible, as deter-

1 mined by the Director of the Bureau of the Budget, on ac-
2 count of savings arising from enactment of any such acts
3 after the beginning of such fiscal year. Nothing herein shall
4 be construed to limit existing authority of law for reserving
5 appropriations.

6 SEC. 604. No part of any appropriation contained in
7 this Act shall be used to pay the salary or expenses of any
8 official, employee or other person serving in any office of
9 any of the several States of the United States or any political
10 subdivision thereof.

11 This Act may be cited as the “Foreign Aid and Related
12 Agencies Appropriation Act, 1964”.

88TH CONGRESS
1ST Session

H. R. 9499

[Report No. 1040]

A BILL

Making appropriations for Foreign Aid and
related agencies for the fiscal year ending
June 30, 1964, and for other purposes.

By Mr. PASSMAN

DECEMBER 14, 1963

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 17, 1963
For actions of Dec. 16, 1963
88th-1st, No. 207

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HIGHLIGHTS: House passed foreign aid appropriation bill. Rep. Nelsen criticized activities of ASC committees. Sen. Boggs urged establishment of a Commission on National Agricultural Policy. Sen. McGovern inserted National Grange testimony urging voluntary wheat certificate program. Sen. Mundt recommended limitation on meat imports. Sen. Talmadge urged passage of Talmadge-Humphrey cotton bill. Sen. Humphrey commended international commodity stabilization agreements.

HOUSE

1. FOREIGN AID APPROPRIATION BILL, 1964. By a vote of 249 to 135, passed with amendments this bill, H. R. 9499 (pp. 23542-80, ~~23587-8~~). By a vote of 218 to 169, agreed to a motion by Rep. Jensen to recommit the bill to the Appropriations Committee with instructions to report it back with an amendment to provide that none of the funds in the bill shall be used by the Export-Import Bank to guarantee payment of any obligation incurred by any Communist country in connection with the purchase of any product (including wheat). The bill was then reported back to the House with this amendment which was agreed to. (pp. 23578-9) Agreed to an amendment by Rep. Gross to provide that none of the funds in the bill may be used to conduct or assist in conducting any program relating to the establishment of a National Service Corps or similar domestic peace corps type program (p. 23576). By a tie vote, 133 to 133, rejected an amendment by Rep. Findley similar to the Jensen amendment which was later agreed to

prohibiting Export-Import Bank guarantees on commodity purchases by Communist countries (pp. 23571-3). As passed, the bill includes \$89 million of unobligated funds, \$150 million for development grants, \$100 million for international organizations and programs, and \$430 million for the Alliance for Progress.

2. LIBRARIES. The Rules Committee reported a resolution for consideration of H. R. 4879, to increase from \$7.5 million to \$25 million the authorization for grants to States for public library services, and to authorize \$20 million for matching grants to States for the construction of public library buildings (p. 23590).
3. PATENTS. The Rules Committee reported a resolution for consideration of H. R. 8190, to increase the amount of the fees payable to the Patent Office for granting of patents. p. 23590
4. TOBACCO. The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 8268, to amend the Tariff Act of 1930 so as to prevent double taxation of certain tobacco products exported and returned unchanged to the U. S. and subsequently reprocessed in the manufacturer's bonded factory. p. D1001
5. ASC COMMITTEES. Rep. Nelsen criticized activities of ASC county committees, urged "close scrutiny by the Appropriations Committees of attempts on the part of Department officials to use public funds for propaganda purposes," and inserted a letter he received from a committeeman describing a committee meeting as "almost entirely propaganda for continuation of Government farm programs." p. 23587
6. FOREIGN AID. Rep. Albert commended the Alliance for Progress program as "far more successful than its critics have claimed." pp. 23580-1

SENATE

7. FARM PROGRAM. Sen. Boggs urged enactment of his bill, S. 2299, to provide for the establishment of a Commission on National Agricultural Policy and inserted an editorial recommending that we "stop talking about controls" and instead "seek the best possible use of the democratic process to adjust production to demand." p. 23487
8. WHEAT. Sen. McGovern inserted the testimony of the Master of the National Grange urging "authorization of a voluntary wheat certificate program." pp. 23488-9
9. MEAT IMPORTS. Sen. Mundt inserted his letter to the U. S. Tariff Commission urging restrictions on "the increasing flow of livestock and/or meat products into this country." pp. 23496-7
10. COTTON. Sen. Talmadge urged passage of the Talmadge-Humphrey cotton bill as a means for ending the two-price cotton system, and stated the bill would "help textile manufacturers put their products back on the domestic and world market at competitive prices," and "give the taxpayer some relief from costly cotton subsidies." pp. 23497-8

House of Representatives

MONDAY, DECEMBER 16, 1963

The House met at 12 o'clock noon.

Maj. Hans E. Sandrock, Chaplain, USAF, offered the following prayer:

Dear Lord and Father of all men, a grateful nation pauses at Christmastide to contemplate the gift and meaning of peace. Keep us mindful:

That Thou hast called us to be watchmen on the walls of world freedom.

That "except the Lord keep the city, the watchman waketh but in vain."

That only "that government is the strongest of which every man feels himself a part."

That we enjoy peace when every citizen is strong in the pursuit of peace.

That we remain free when every citizen is dedicated to the cause of freedom.

That America will be in all things strong when every citizen becomes a partner in her strength.

Help us to be worthy of our power and responsibility; to exercise our strength with wisdom and restraint; to achieve in our time and for all time the ancient vision of peace on earth, good will toward men. In the name of Him who is the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of Saturday, December 14, 1963, was read and approved.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On December 11, 1963:

H.R. 2467. An act to authorize the sale and exchange of isolated tracts of tribal land on the Rosebud Sioux Indian Reservation, S. Dak.;

H.R. 2905. An act to donate to the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, N. Dak., approximately 275.74 acres of federally owned land;

H.R. 4760. An act for the relief of Elizabeth Mary Martin; and

H.R. 9291. An act to provide office space, supplies, equipment, and franking privileges for Mrs. Jacqueline Bouvier Kennedy, to authorize appropriations for the payment of expenses incident to the death and burial of former President John Fitzgerald Kennedy, and for other purposes.

On December 12, 1963:

H.R. 976. An act to authorize the Secretary of the Interior to acquire and add certain lands to the Salem Maritime National Historic Site in Massachusetts, and for other purposes; and

H.R. 5949. An act to consent to the amendment by the States of Colorado and New Mexico of the Costilla Creek compact.

On December 13, 1963:

H.R. 134. An act to provide that seat belts sold or shipped in interstate commerce for use in motor vehicles shall meet certain safety standards; and

H.R. 9009. An act to amend further the Peace Corps Act, as amended.

On December 16, 1963:

H.R. 6143. An act to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities in undergraduate and graduate institutions; and

H.R. 7885. An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1322. An act to authorize and direct the Secretary of the Treasury to cause the vessel *Eugenie II*, owned by J. C. Strout, of Milbridge, Maine, to be documented as a vessel of the United States with full coastwise privileges;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 2317. An act to amend the provisions of section 15 of the Shipping Act, 1916, to provide for the exemption of certain terminal leases from penalties; and

S. 2364. An act to provide that the Commission on the Disposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress.

ANNIVERSARY OF BATTLE OF THE BULGE

(Mr. HECHLER asked and was given permission to address the House for 1 minute.)

Mr. HECHLER. Mr. Speaker, the Battle of the Bulge in World War II is indelibly etched on the memories of every American fighting man who served in the European Theater of Operations. On December 16, 1944—19 years ago today—Adolf Hitler sent his crack panzer and S.S. divisions through the early morning fog in the Ardennes in a last desperate gamble to push American and British forces into the sea. For weeks the tide of battle favored the Nazis as a ring of steel encircled and tightened around the 101st Airborne Division in Bastogne. Finally, the sun came out, penetrating the fog, and enabling the American Air Force to support the inspired counterattacks by American and British troops. By late in January 1945, the lines had been restored, setting the stage for the final victory in Europe.

For Americans on the fighting fronts in Europe, the Battle of the Bulge constituted the darkest period of the war. Casualties were heavy. Yet, as in the case of Valley Forge, Pearl Harbor, and other dark hours of American history, America rose to the challenge and the occasion brought forth the noble effort which produced victory.

On this anniversary of the dark days of the Battle of the Bulge, all Americans are still, and will continue to be, deeply affected by the events of 3 weeks ago, and the loss of the man who inspired love and respect in every nation of the world. Yet, under the leadership of President Lyndon B. Johnson, Americans are showing that once again in our history, out of darkness, despair, and desolation, this Nation can rise to its finest hour.

(Mr. KYL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

[Mr. KYL'S remarks will appear hereafter in the Appendix.]

PERSONAL EXPLANATION

(Mr. HARRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARRISON. Mr. Speaker, on Monday, December 2, I was unavoidably absent. Had I been present and voted, I would have voted "aye" on both roll-calls 211 and 213.

COMMITTEE ON PUBLIC WORKS

Mr. OLSEN of Montana. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have permission to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. GROSS. Mr. Speaker, I object.

DESIGNATING THE 17TH OF DECEMBER AS "WRIGHT BROTHERS DAY"

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 335 designating the 17th day of December of each year as "Wright Brothers Day," with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 9, after "issue" insert "annually."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

UNANIMOUS-CONSENT REQUESTS

(Mr. GROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I take this time to serve notice on the Members of the House that in connection with the business of committees or in transacting the business of the House, I will object to any unanimous-consent request that deals with the transaction of such business, no matter how meritorious it may be, unless the Member goes to one of the microphones on the floor of the House so that all Members may hear the request.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 241]

Avery	Hagan, Ga.	Powell
Baker	Hansen	Rains
Becker	Hébert	Riehlman
Belcher	Henderson	Rivers, S.C.
Bray	Hoffman	Roberts, Ala.
Burkhalter	Kee	Rooney, Pa.
Cederberg	Laird	Roosevelt
Celler	Landrum	Shelley
Cohelan	Latta	Short
Dent	Miller, N.Y.	Sisk
Derwinski	Milliken	Sullivan
Diggs	Murphy, N.Y.	Trimble
Ellsworth	Nedzi	Tupper
Evins	O'Brien, Ill.	Ullman
Fulton, Tenn.	Osmers	Van Pelt
Grabowski	Pepper	Wilson, Bob
Grant	Pilcher	Younger
Green, Pa.	Pillion	

On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1964

IN THE COMMITTEE OF THE WHOLE

Mr. PASSMAN. Mr. Speaker, pursuant to order of the House on December 10, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, one-half to be controlled by the gentleman from

Arizona [Mr. RHODES] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There is no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9499, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may require.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, the bill under consideration today makes appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964.

The bill recommends total appropriations of \$3,113,100,370, including some \$15.8 million which has no relationship to foreign aid.

In addition to this bill, the Congress has already considered several appropriation bills which contained funds for what might also be considered as foreign aid programs—such as the agriculture appropriation bill which contained \$1,719,966,000 to reimburse the Commodity Credit Corporation for commodities sold or given away under the Public Law 480 program—now known as food for peace—and the Treasury Department appropriation bill which carries the annual appropriation to pay the interest on the public debt, a portion of which has been generated by our generosity in the foreign assistance field. The House has also passed the military construction appropriation bill which contained approximately \$183 million for construction of overseas military facilities which may in the long run prove more endurable and valuable than some of these facilities financed by this bill.

During its hearings our subcommittee received testimony that our aid program is being continued in countries where one of the following illegal actions has occurred:

A dictator has taken over control of the country.

A military junta has overthrown a friendly government.

A President or Premier has been assassinated.

A newly elected President has been prevented from taking office.

A monarch has been dispossessed by a rebel force.

The testimony indicated that our aid program in these countries may have been suspended temporarily but in each instance it was resumed within a very short period of time. Page 115 of part 3 of the printed hearings contains a listing of 29 aid-recipient countries which experienced an illegal change of government during the period 1948–63. Of these 29 countries Cuba is the only coun-

try which is not now receiving direct U.S. aid, although she does receive assistance from the United Nations.

Our committee has long felt that this program has been attempting too much for too many. For example, of the other 112 countries of the world, the Executive contemplates the granting of assistance during fiscal year 1964 to a minimum of 100 countries, territories, or possessions. The proposed military assistance program alone envisages grant aid to 65 countries and credit assistance to 3 additional countries.

The committee is of the opinion that our "aid dollar" could be more wisely spent by concentrating our assistance in fewer countries with well-planned projects. It does not believe that we have to have an aid program in some countries—especially in the African area—to maintain a U.S. presence, or image. Whatever financial assistance is required by these developing countries should, it seems, be the responsibility of the former metropole since the latter is generally tied to the newly formed country by a common language, trade agreements, and substantial investments.

The committee is also of the opinion that it is not the sole responsibility of the United States to provide substantial assistance to newly developing countries who turned to the Communist bloc for aid, have become disenchanted with such aid, and are now looking to the United States for financial assistance. The committee wonders how much faith and reliance can be placed on such countries.

In other countries—the attitude of the official and semiofficial press and radio is anti-American. However, according to the testimony of the executive branch officials, the people are pro-American and this supposedly justifies an aid program.

In still other countries, unwise fiscal policies, inflation, deficit spending, and lack of self-help efforts seem only to qualify those countries for larger grant assistance.

In Latin America, there are 5 countries which still maintain trade and diplomatic relations with Cuba—Bolivia, Brazil, Chile, Mexico, and Uruguay. It is almost inconceivable to the committee that the administration would propose for fiscal year 1964 a total increase of approximately \$100 million in economic and military aid above the fiscal year 1963 aid program for these five countries.

Of the total 2,157 projects in the aid program—1,896 grant and 261 loan projects—our subcommittee examined virtually every one of the 1,244 projects contained in this year's congressional presentation books and at various times throughout the hearings the executive branch witnesses testified as to the "illustrative" nature of the program, and further testified that portions of the project estimates were too high, needed further examination and review, or were being completely dropped from the request.

Mr. Chairman, a review of the printed hearings of the past several years will indicate the concern of the committee with the "gold outflow" problem.

During the early years of the foreign aid program the dollar was regarded as a superstrong currency, despite the fact that the United States had a deficit balance of payments in every year beginning with 1950 through 1962 with the sole exception of 1957, when we experienced a surplus balance of payments of approximately \$500 million.

Since 1958, the dollar has been growing weaker and one of the major reasons, in the opinion of the committee, has been the outflow of gold. On December 31, 1957, the gold stock of the United States amounted to \$22,857 million. Since that date our gold stockpile has been diminishing steadily, and on June 30, 1963, it amounted to \$15,830 million, a drop of \$7,027 million. During this same period of 5½ years, 52 foreign nations—each one a recipient of U.S. foreign aid—purchased from the Treasury \$6,823,200,000 of U.S. gold.

While there may be good and valid reasons why foreign nations have been able to purchase our gold, in the opinion of the committee one of the primary reasons is that the United States, through the foreign aid program for the same period of January 1, 1958, to June 30, 1963, extended \$11,947,400,000 in economic and military assistance to these same 52 foreign nations. This financial assistance by the United States in turn released the revenues of these 52 nations to be used in any way they saw fit, and obviously one of the ways was to buy \$6.8 billion of gold from the U.S. Treasury.

The committee has also been concerned with the serious problem confronting the United States with reference to the balance-of-payments situation. As previously noted, the United States has had a deficit position in its international balance-of-payments in each year since 1950 with the exception of 1957, when we experienced a surplus position of approximately \$500 million. Present data indicates that we will again have a substantial deficit in 1963.

During fiscal year 1963 the Agency for International Development allocated \$901,996,000 to 23 countries for balance-of-payments purposes, budgetary support, and cash grants.

At the same time the administration is trying to improve our own very serious balance-of-payments position which, as already noted, had a deficit balance of \$2.2 billion in 1962 and the present estimate for 1963 appears to be a deficit of approximately \$2 billion, by recommending legislation to the Congress, taking administrative action, and requesting funds to implement such actions. It is a moot question, to say the least, as to whether the United States should be giving financial assistance to foreign countries to alleviate their balance-of-payments problems when we cannot balance our own, and whether the United States should be giving budgetary support and direct cash grants to foreign countries at a time when we are experiencing substantial budget deficits here in this country.

AID states, Mr. Chairman, that today fully 80 percent of AID funds are committed for the export of U.S. goods and

services, and in fiscal year 1964 and future years AID intends to raise this proportion even further.

The AID policy of tying economic aid to procurement in the United States rather than abroad appears to the committee to be a "gimmick" to sell the aid program to the American taxpayer. What the agency neglects to add is that the taxpayer is financing the cost of the 89-percent U.S. procurement and in addition is also financing the additional 20 percent that is procured overseas.

U.S.-tied procurement also increases the cost of the aid program to the taxpayer, as it tends to create a wall around the U.S. manufacturer and insulates him from the need to meet competition from the foreign producer. This tied procurement policy would appear to be aid to U.S. industry rather than aid to the developing nations.

Another argument cited in favor of a continuation of the foreign aid program is that our assistance builds up the economies of the developing nations which then creates a demand for U.S. exports. India, for example, has been one of the 10 largest aid recipients and in fiscal 1963 was the recipient of the largest amount of foreign aid. If the statement is valid, then one would naturally expect India to be a growing importer of U.S. products.

However, if U.S. exports financed by AID and Public Law 480 commodities are subtracted from the total trade, our net trade balance with India was a minus \$77 million in 1958 and our deficit trade balance with India increased to a minus \$88 million in 1962. In this one instance at least, this argument for foreign aid does not appear to be valid.

Mr. Chairman, in addition to the \$2,801,700,000 in new obligational authority recommended for the mutual security program—title I—in the bill under consideration, the executive branch has indicated that it would also obligate or commit \$1,826,300,000 in foreign currencies to the program.

Last year, the committee expressed its concern with the increasing pipeline of unexpended funds in the foreign aid program.

Theoretically these unexpended funds represent firm obligations for goods and services on order but not yet delivered; consequently, such funds should not be available for the purchase of additional goods and services.

However, experience has shown that both programs—economic and military assistance—have been able to deobligate or dereserve funds in a magnitude that allows substantially more flexibility than the committee deems advisable. Such deobligations or dereservations then become available for the purchase of additional goods or services, and a substantial portion of them have been used to initiate new projects that have never been presented or justified to the Congress.

As I have mentioned, the committee is recommending an appropriation of \$2,801,700,000 to finance a mutual security program for a minimum of 100 countries and territories in fiscal year 1964.

Last year the committee quoted in its report an excerpt from a letter to the gentleman from Missouri, Chairman CANNON, from Secretaries Rusk and McNamara which, in effect, stated that a workable program could not be accomplished with the cuts proposed by the committee in the fiscal year 1962 bill.

Again, when the committee reported the fiscal year 1963 bill to the House recommending an appropriation of \$3,630,400,000, Secretary Rusk addressed a letter to the gentleman from Massachusetts, Speaker McCORMACK, which stated in part:

DEAR MR. SPEAKER: I am gravely concerned by the drastic cut of over \$1,100 million which the Appropriations Committee has recommended in the appropriation requested by the President to conduct the foreign aid program for fiscal year 1963.

Subsequently, the Congress approved an appropriation of \$3,928,900,000, an increase of \$298,500,000 above the House committee recommendation. As of June 30, 1963, the unobligated/unreserved funds amounted to \$524,281,836, which includes the investment guaranty account. Therefore, if the House committee recommendation of \$3,630,400,000 had been approved, the program would still have had an unobligated balance on June 30 of well more than \$100 million, despite the executive branch representations.

As I have noted, the unobligated/unreserved funds amounted to \$524,281,836 on June 30, 1963. One of the primary reasons why this unobligated/unreserved figure is as "low" as it is, stems from the "committee" process in the development loan appropriations accounts. Basically, the agency commits or reserves a specified sum of money which will fully fund a loan application which has been approved technically but on which all negotiations such as repayment, terms, signatures, and so forth, have not been completed. While a "commitment" is not a true obligation, Mr. Chairman, the committee has traditionally recognized a commitment as being an obligation. During the month of June the agency "committed" \$421,075,000, or approximately 41 percent of the total funds available for development loans during the fiscal year. On Thursday, June 28, the agency committed \$126 million and on Friday, June 29, the last normal workday of the fiscal year, the agency committed \$138,975,000, or a total in the last two normal working days of the fiscal year of \$264,975,000.

The committee recognizes the possible necessity in some cases for committing funds prior to a firm obligation in order to insure that funds will be on hand when all necessary details of the loan negotiation are completed. However, the amount of funds that are "committed" in the last 2 or 3 working days of the fiscal year, despite the fact that the Congress appropriates this money on a no-year availability basis, raises a question as to whether these funds are "committed" just prior to the expiration of the fiscal year in order to show as small an unobligated/unreserved balance as possible as justification for an additional appropriation of funds some-

what near the magnitude of the budget estimate for the program.

Mr. Chairman, this is the ninth year that it has been my privilege to bring in a foreign aid appropriation bill. Each and every year, I, as well as other members of the committee, have been accused of recommending that this program be wrecked. But I should like to say that the total reductions below the budget estimate during the past 8 years, since it has been my privilege to serve as chairman of the Foreign Operations Appropriations Subcommittee, amounted to \$6,582,937,000, yet we appropriated more money than was needed every year. Last year, the Congress, in its wisdom, cut the request by \$1,032,400,000. The people downtown said, in effect, "This is one time you have wrecked the program completely." Nevertheless, when they came back this year they had \$744 million in the program that was unobligated, \$522 million of that amount being in title I—mutual security.

May I note, Mr. Chairman, that we are getting close to the time of year where we look for Santa Claus; and we are playing Santa Claus this year, through foreign aid, to 100 nations and territories. It is fantastic, but true, that the bill now before you calls for aid to 100 of the other 112 nations of the world, Communist and so-called neutral nations, friendly nations, wealthy nations, and all the rest. I believe I should say also that the United States has a public debt that exceeds by \$24 billion the combined public debts of all the other nations of the world.

And, it should be mentioned, too, that from the time we set up our first book-keeping system in 1789 to record the receipts and expenditures of our Government we have collected a total of \$1,312,508 million in revenues. Notwithstanding this fact, during that 175 years for every dollar collected we have created an obligation of \$1.81.

Furthermore, we hear people talk about a public debt of \$305 billion. But, in fact, our Federal Government has a public debt of \$1,050 billion. The borrowed part of it on December 31 will stand at about \$305 billion, but there are statutes which call for the paying out of money in subsequent years for services rendered in previous years. So our true public debt, then, is \$1,050 billion. Yet, we are still going strong with the spending.

Now, Mr. Chairman, I think I should say that this bill is very loose. It is practically a blank-check appropriation.

The executive branch people can do with this money just about whatever they want to do with it.

For instance, practically everything is illustrative. They come in and ask for money to certain things. If they ask for money, for example, to build a road in Argentina, they can take that same money and build a brick building in Algeria with it. If they come in and justify 37 projects in Guatemala, they can take that money and start 37 projects out in India or Pakistan. The bill is just that loose. Just about everything is illustrative, and we do not know what they are

going to do with the money until after they get it.

Mr. Chairman, we have permitted a lot of weaknesses to grow up in this program, weaknesses that should be corrected. I do not know how to go about it, but I am doing the very best I can do. The program has, for instance, what is known as a pipeline. And, under this bill, it is not unusual for those in charge to obligate funds 6, 7, 8, and 10 years in advance of the completion date. They will estimate the cost to complete the program and obligate the funds, even though it may be 7, 8, or 10 years before they will need the money for that purpose.

Also, the Congress permits these people to operate on very loose estimates. Funds are frequently obligated far in excess of the amounts actually needed. For instance, in fiscal years 1962 and 1963, Congress appropriated for the military assistance program a total of \$2,925 million. Upon examination, we found that they had obligated \$3,415,700,000. We asked where they got the additional \$490,700,000, and the answer was that it came out of unused obligations of previous years.

I think the gentleman from Arizona [Mr. RHODES] pinned the matter down when he said that the privilege to obligate and to deobligate is the greatest invention since the wheel.

On June 30, 1960, the pipeline, as we call it—that is, the money on hand unexpended—amounted to \$5,180,495,000. At that time we were thinking about getting it even lower. We had given some thought to trying to get it back maybe to a year's pipeline, which is about the average needed in a tight program. But, in 1960, 1961, and 1962 they withdrew out of the pipeline an average of about \$3.2 billion but were putting in money in excess of the amount they had drawn out. We worked the pipeline down to \$4.83 billion at the close of the year.

However, on June 30, 1963, the pipeline had \$7,044 million in title I and \$490 million in title II, or a total pipeline of \$7,541 million. The executive branch people had moved the money in the pipeline up almost \$3 billion in 3 years.

Secretary Rusk and Secretary McNamara last year addressed themselves to the Speaker and the President of the Senate. They said we were wrecking the program and if the cuts the House made last year were not restored, the program would be ruined. The facts, however, have proved them wrong again.

They finished the fiscal year with total unobligated funds on hand of \$744,181,000 and \$524 million of that amount was in title I—mutual security. Of this unobligated money, \$280 million is capital in the Inter-American Development Bank and \$117 million is in the investment guaranty account, but in excess of \$400 million in unobligated money is completely loose. It would have lapsed, in fact, or a good part of it would have, if we had not asked you to reappropriate it in this bill.

Now, Mr. Chairman, let us go into some of the specific items in the bill.

The development grant appropriation, according to the presentation material,

provides technical assistance to help create the human resources necessary for development.

The budget proposed such assistance to 62 countries, territories, organizations, and regional programs, exclusive of programs for Latin America. In addition, development grants were programed for such purposes as internal security, inter-regional expenses, ocean freight, and research.

The committee recommends an appropriation of \$150 million for this grant aid program.

Of particular concern to the committee is the practice of the Agency in initiating projects during the fiscal year that have never been justified to the Congress. During 1963 the Agency initiated 82 projects in the Far East, the Near East, and South Asia, and the African regions at a fiscal year 1963 cost of \$17,753,000. The total cost to complete these 82 projects is presently estimated to be \$50,905,000.

The committee can understand the possible necessity of initiating projects which may have a high priority; however, it cannot understand the necessity of initiating projects which would appear to be of doubtful value or where the completion costs is of such magnitude that the Congress should have an opportunity to review such projects prior to their initiation.

A new appropriation item in the foreign aid program is for American schools and hospitals abroad. In the past, funds have been made available to American-sponsored schools and hospitals abroad from the development grant appropriation. The committee recommends the appropriation of \$14,300,000 for this purpose in fiscal year 1964.

In addition, there is a special foreign currency program for American hospitals abroad. The recommended appropriation of \$4,700,000 includes \$3.9 million for the purchase of excess foreign currency—Polish zlotys—owned by the Treasury to finance completion of the U.S.-sponsored children's hospital in Krakow, Poland, which is being built under the auspices of the American Research Hospital in Poland, Inc.

In addition to this appropriation, the hospital is programed to receive \$2,200,000 for imported equipment which is included in the estimate of \$20 million for American schools and hospitals abroad. The balance of the appropriation, \$800,000, is for the purchase of Egyptian funds for the American University in Cairo.

The committee recommends an appropriation of \$100 million for international organizations and programs. There are several programs contained in this appropriation estimate that are of concern for the committee. The first program is the U.N. Technical Assistance and Special Fund, for which \$55 million is being requested.

For this item, while the U.S. percentage contribution has remained constant at 40 percent, since 1959 the dollar contribution has been increasing by approximately \$7 million a year.

At the same time the U.S. Technical Cooperation program—now Development Grants—has increased from \$113 mil-

lion in 1958 up to \$225 million in 1963. Also, the Congress created the Peace Corps in 1961 with an initial appropriation of \$30 million and the budget estimate for fiscal year 1964 is \$108 million. This substantial and increasing financial effort by the United States on a bilateral basis in the technical assistance field does not appear to warrant an increasing dollar contribution to the U.N. technical assistance program and the committee suggests that every effort should be made to reduce our percentage contribution to this program.

The second program under this estimate that is causing the committee some concern is the FAO world food program, for which the fiscal year 1964 estimate is \$2 million, plus \$16,500,000 in surplus agricultural commodities.

This year the committee ascertained that as of June 30, 1963, the Agency had obligated \$1,638,096 plus \$2.5 million in surplus commodities for the world food program in fiscal year 1963 without any justification or promised consultation for the program or for the expenditure of funds.

The third program which is of concern to the committee is the Indus waters project, for which the revised estimate is now \$30,300,000. Two years ago in its report on the fiscal year 1962 appropriation bill the committee stated in connection with this project:

The United States contributed \$6,800,000 in grant aid to the project during fiscal 1961 and also made a DLF loan of \$70 million to Pakistan for the project. The committee points out that the United States has agreed to participate in the project prior to (1) the establishment of firm cost estimates for the different phases of the project, and (2) an arrangement for the sharing of costs in the event actual construction costs exceed the estimate of \$1,064 million.

Such haste to commit the U.S. taxpayer to the expenditure of over half a billion dollars without recognition of the potential cost illustrates the kind of thing that can happen when commitments are made prior to full review and approval.

The committee's statement of concern of 2 years ago was well warranted as testimony in this year's hearings clearly indicates.

Supporting assistance, according to data contained in the summary presentation, is that part of the economic aid program which is directed primarily toward meeting immediate political and security objectives.

The budget proposed a program funded by this appropriation for 18 countries and the CENTO organization in the amount of \$435 million.

In addition to this supporting assistance program, the budget proposed other economic and military assistance programs which amount to a minimum of \$954,398,000 for the same 18 countries and CENTO.

The committee recommends an appropriation of \$300 million for the supporting assistance program for fiscal year 1964.

An example of the types of projects financed by this appropriation is the Khmer-American Friendship Highway in Cambodia. According to the testimony, the original estimate of cost of

this project was \$15 million. A contract for construction was awarded on May 5, 1955, at a cost of \$18 million. By the time the highway was completed in June 1959, the cost had risen to approximately \$30.9 million. Immediately after completion of construction portions of the highway began to deteriorate, and since that date the United States has obligated a total of \$13.4 million for repairs with an additional cost of approximately \$1.2 million in fiscal year 1964 and future years. Thus, the total cost of this project is now estimated to be \$45.5 million, an increase of over 300 percent in the original estimate.

Another practice of the AID that causes the committee some concern is the practice of committing millions of dollars to a government or a project. While the committee recognizes the value of the United States of honoring its commitments, it questions whether these commitments should hold firm despite a change in government—legally or illegally—or a lack of desire on the part of the recipient government to cooperate in the successful liquidation of the commitment. For example, the President, in 1959, committed the U.S. Government to finance the Rangoon-Mandalay Highway project in Burma at a cost of \$28 million. Since that date expenditures have totaled only \$880,000.

In fiscal year 1963 AID obligated approximately \$9,100,000 for the project and the estimate for 1964 is \$19 million on the assumption that AID can reach agreement on engineering questions on a particular segment of the highway. Obviously, the 1964 estimate is still not firm. Anticipated expenditures in fiscal year 1964 are approximately \$1,800,000.

For the fiscal year 1964 the committee recommends an appropriation of \$50 million for the contingency fund. In addition, the committee has deleted the proposed budget language which would have returned to the Treasury on June 30 the unobligated balance of \$127,098,666 of the fiscal year 1963 contingency fund appropriation. In effect, the committee has made available to the President a total of \$177,098,666 as a contingency fund for the foreign aid program in fiscal year 1964.

The committee has noted that the President obligated only \$149,197,327 of the \$250 million appropriation for the fiscal year 1963 contingency fund. However, the committee cannot reconcile the obligation of \$105,250,000 during fiscal year 1963 to assist countries to take remedial measures to restore internal and external fiscal stability with the purpose of the contingency fund, which is to provide a source of funds for the President to meet unforeseen emergencies in the world which are important to the national interest.

Of particular concern to the committee is a \$17 million loan to Indonesia for balance-of-payments purposes which was obligated on March 7, 1963. The day before the obligation was recorded Indonesia announced the purchase of three luxury American jet aircraft for its deficit-ridden airline at a cost of \$20 million, payable in hard currency, one-

half the purchase price being due on or before January 1, 1964.

Last year the committee commented in its report on June obligations made under the fiscal year 1962 contingency fund, noting that of June obligations of \$87,959,000, obligations on Saturday, June 30, amounted to \$38,366,000. This year in connection with the fiscal year 1963 contingency fund, June obligations were \$51,487,000, of which \$16,810,000 was obligated on Friday, June 28, the last normal working day of the fiscal year, \$724,000 was obligated on Saturday, June 29, and \$2,932,000 was obligated on Sunday, June 30, the last day of the fiscal year. Evidently, our loyal AID employees were busy spending the taxpayers' money on Sunday, just as they do on every other day of the week.

Mr. Chairman, the budget proposed an appropriation of \$200 million for the inter-American social and economic cooperation program, which would be allocated as follows: \$195,500,000 for loans under the social progress trust fund, which is administered by the Inter-American Development Bank under a trust agreement between the United States and the Bank; and \$4,500,000 to carry forward special projects of the Organization of American States.

The initial appropriation of \$500 million for this program was approved on May 27, 1961.

The United States is the sole provider of capital of the trust fund, which is a mutual security program source of dollar loans repayable in the borrower's currency. The interest rate on the loans is 1¼ percent, except for loans for water which are normally 2¾ percent, plus a service charge of three-fourths of 1 percent which is payable in dollars.

As of June 30, the trust fund had made 64 loans with a total value of \$349,000,500. The budget proposed that \$195,500,000 be made available to the trust fund in fiscal year 1964 for the same types of loans.

The Pan American Union—OAS—was allocated \$6 million, of the 1961 appropriation, and the budget proposed that \$4,500,000 be made available to the OAS in fiscal year 1964.

In addition to the testimony on this program, the committee considered the following factors in connection with this estimate: First, the Congress created the 4-year Alliance for Progress program last year and provided an initial appropriation of \$525 million, and that the Congress has authorized an additional appropriation of \$525 million to the Alliance for fiscal 1964; second, the Congress has authorized an appropriation of \$450 million for the Inter-American Development Bank, and over the past 3 years has appropriated the entire amount, and it is being requested to authorize and approve this year an additional contribution of \$50 million to the Bank; and, third, other financial institutions such as the Export-Import Bank, the World Bank, the International Development Association, and the U.N. organizations are also providing financial assistance in Latin America. Therefore, the committee has recommended that an appropriation of \$100 million be approved for this

program. The committee is also of the opinion that all future budget estimates for U.S. assistance to Latin America should be presented to and considered by the Congress under the Alliance for Progress program rather than on a piecemeal basis. It also feels that such assistance should be channeled through and administered solely by an agency of the U.S. Government.

Now, Mr. Chairman, let us discuss briefly the Alliance for Progress program.

Last year in its report on the Alliance for Progress appropriation, the committee stated:

One of the many factors that encouraged the committee to recommend funds last year for the Inter-American Social Progress Fund was the assurance that before aid would be given, there would have to be specific programs worked out accompanied by basic legislation and institutional reforms in such matters as tax structure, land tenure, and legal procedures. To say the least, the committee is disappointed with the minimal progress that has been made to date in these fields.

This year, based on the testimony and other data, the committee again points out that very little progress has been made by the recipient nations of Alliance for Progress financial assistance toward meeting the very laudable objectives of the Act of Bogotá, the Charter of Punta del Este, and section 251 of the Foreign Assistance Act of 1961, as amended.

In summary of comments on the overall institutional progress made by the Latin American countries, the Second Annual Report of the Inter-American Development Bank states:

It must be noted that the mere preparation of a law or the creation of an agency does not automatically bring about an immediate solution of existing problems, and that some time must elapse before any definite results can be expected. The progress in the various countries has been unequal and, while some countries have made fundamental changes, political, economic, and social factors in others have delayed accomplishment of the institutional reforms needed in order to accelerate the growth process.

The committee supports the Alliance for Progress and recognizes the need for the program. At the same time the committee recognizes that actions speak louder than words and the committee can only reiterate and paraphrase the statement which I have just quoted:

The mere preparation of a law or the creation of an agency does not meet the criteria of self-help and reform measures that qualify a country for financial assistance from the United States.

Another factor that is causing some concern to the committee is that the Alliance for Progress program is a predicated upon the economic and social development of the participating Latin American countries through democratic societies. Since the Act of Bogotá, September 1960, the following six countries have experienced political upheaval: Argentina, March 1962; Peru, July 1962; Guatamala, March 1963; Ecuador, July 1963; Dominican Republic, September 1963; and Honduras, October 1963.

The budget proposed grant aid for all six of these Governments. However, the committee notes that Secretary Rusk recently announced the suspension of military and economic aid to the Dominican Republic and Honduras, but current news reports indicate that the United States now recognizes the existing Governments of those two countries.

The following statement of the U.S. Coordinator for the Alliance for Progress program, Mr. Theodoro Moscoso, with reference to the attitude of some of the heads of government in Latin America has caused the committee some concern:

Mr. Moscoso. Even when they recognize it, sometimes they decide for political reasons they may not want to be associated too much with the fact that the United States is giving them assistance.

Last year the Congress appropriated \$426 million for development loans and \$100 million for development grants under the Alliance for Progress program. The testimony this year indicates that as of June 30 the development loan appropriation had an unobligated balance of \$92,017,879 and that the development grant appropriation had an unobligated balance on June 30 of \$4,326,845—exclusive of \$10 million transferred during the year to the 1963 supporting assistance appropriation. Testimony further indicated that as of June 30, 1963, there was an unliquidated balance of approximately \$1,983 million in the Latin America area from the 16 spigots of foreign aid.

Under the Development Grant appropriation, which I have discussed, the committee commented on the practice of the Agency in initiating projects which had never been presented to or justified to the Congress. Under the development grant portion of the Alliance for Progress, AID initiated 49 projects in fiscal year 1963 at a cost of \$17,337,000. The total cost of these 49 projects from inception to completion is presently estimated to be \$38,678,000.

Taking all factors into consideration in connection with this estimate, the committee recommends an appropriation of \$430 million for the Alliance for Progress program in fiscal year 1964. Also, the committee again recommends that these funds be made available as two funds: \$350 million for loans and \$80 million for development grants.

The committee recommends an appropriation of \$600 million for the development loan program in fiscal year 1964.

Since fiscal year 1958 when the development loan program was initiated, the Congress has made available appropriations amounting to \$4,087,500,000.

The original Development Loan Fund was in operation from fiscal year 1958 through November 3, 1961, and made dollar loans which were repayable in dollars and/or local currency. During its existence the DLF made 217 loans and commitments and 3 guarantees amounting to \$2,008,500,000. As of June 30, 1963, loan repayments and interest collected totaled \$170,696,330. All of the repayments, dollars and local currency, made under the original DLF program, are credited to the U.S. Treasury and are not available for further lending.

The new AID development lending program, initiated on November 3, 1961, has had total appropriations of \$2,087,500,000. As of June 30, 1963, it had made 126 loans totaling \$2,033,700,000. To date no principal repayments have been made. Interest and credit fees collected to date under the new development lending program total \$2,018,746. Such payments are deposited into a revolving fund and continue available for further lending.

All development loans are now repayable in dollars, and most of the loans are very long term—30 to 40 years—carry a three-quarters of 1-percent credit fee in lieu of interest, and provide a grace period of up to 10 years prior to commencement of repayment. The recently enacted authorization bill, however, now provides for a service charge of three-quarters of 1 percent per annum for the first 10 years and an interest rate of at least 2 percent per annum thereafter to maturity on all loans made after approval of the Foreign Assistance Act of 1963.

While the Agency appears to be making some effort to harden the terms of the loans, the number of countries in which the policy is in effect is minimal. In addition, the committee has noted from the testimony and data supplied that while the United States is extending what amounts to be a subsidized loan—as Administrator Bell stated: each loan is “perhaps two-thirds grant and one-third loan”—other free world and Communist bloc countries are extending their development loans on much harder terms.

During the hearings, Administrator Bell testified he was sure the United States could get harder terms on our loans, but that our position was that the terms of repayment should be related to the balance-of-payments prospects of the borrowing country. This principle has been accepted by the members of the Development Assistance Committee of the OECD, including Germany, England and Japan, but the committee can see very little evidence of softening of lenders' terms.

In addition to the \$4,087 billion which the United States has already appropriated since fiscal year 1958 for development loans on a bilateral basis, the United States has agreed to participate in two other multilateral development lending institutions and the Congress has provided appropriations to date totaling \$450 million for the Inter-American Development Bank.

Included in another section of the bill is a recommended appropriation of \$50 million for the Special Operations Fund of the Inter-American Development Bank. In addition, the Board of Governors of the Bank recently recommended that each member country of the Bank take legislative and administrative actions necessary to make the proposed increase in capital stock of \$1 billion as soon as possible. The U.S. share of this proposed increased capitalization of the Bank is \$412 million.

Another recently established development lending institution is the International Development Association, an

affiliate of the World Bank, which was created to provide development financing on more flexible terms than the World Bank. At present IDA makes loans, repayable in dollars, with a maturity date of 50 years, a 10-year grace period, and a service charge of three-fourths of 1 percent. The Congress has provided \$196,978,700 in appropriations to date toward fulfilling our total subscription which represents approximately 32 percent of the presently authorized capitalization.

Also included in another section of the bill is \$61,656,000 as the fiscal year 1964 appropriation to the Association, with an additional appropriation of identical amount required in fiscal year 1965. In addition, legislation has been recently introduced (S. 2214) which would authorize an additional appropriation of \$312 million to the IDA over a 3-year period beginning in fiscal year 1966.

While the committee recognizes the need for a source of funds for development purposes, it questions the wisdom of an apparent trend toward a number of institutions, with the United States as the largest contributor, providing such assistance on soft terms.

One objection to loans with soft terms is that with grace periods and maturity dates so far in the future, the Banks' resources are soon exhausted and then there is a requirement for additional capitalization. I have already noted the propositions for increased capitalization for both the Inter-American Development Bank and the International Development Association.

In view of the substantial percentage of the 1964 estimate for economic assistance that is requested for development loans, the committee is quite concerned, as it has been in prior years, as to the lack of detailed information presented to the Congress in justification of the estimate of funds required for the program. The committee commented rather extensively last year in its report on this appropriation item with reference to the fact that projects are selected by the Agency and funded only after Congress makes funds available for development loans.

This year Assistant Administrator Hutchinson stated that the development loan program estimate was far more illustrative than any other part of the AID program. The committee questions whether that is possible, but it is willing to take Mr. Hutchinson's word.

The committee is of the opinion that future estimates for development loans should be justified on a country basis with definite loan applications on hand to back up the estimate for each country. In support of its position that such a presentation is possible, the committee points to the Latin America area, where on June 30 AID, Washington, had specific loan applications on hand in the amount of \$285,552,000, in addition to \$110 million in potential loans which were under negotiation on that date.

Mr. Chairman, inasmuch as specific loan applications, exclusive of loan applications in negotiation, are approximately 52 percent of the fiscal year 1964 estimate for development loans in Latin

America, and if the additional \$110 million of loans in negotiation are included, the percentage rises to approximately 70 percent, the committee is of the opinion that the Agency could, and should, have a separate project sheet for each loan by country which would supply all pertinent data on each proposed loan. With such information on hand, the committee would have a more businesslike basis upon which to recommend funds for this type of program. As it is now, the committee and the Congress are asked to appropriate funds in the dark, and can only hope that the Agency will approve during the year only those applications that are sound, worthwhile investments.

In addition, the estimates would not contain items such as the \$20 million estimate for development loans for Israel which, according to the justifications, "rests increasingly on political comparisons rather than on an economic evaluation."

Such a presentation would also give the Congress itself an opportunity to approve or disapprove loan applications for specific projects such as the Bokaro steel mill project in India. As the program is presented to the Congress now, the only way the Congress can express its disapproval of a development loan project is through a specific prohibition in the authorization act. The committee is of the opinion that the Congress should have a strong voice in the decision as to how the U.S. taxpayers' money is to be spent overseas. As it is now, the executive has the sole authority for this decision.

In connection with the Bokaro Steel Mill project in India on which the House has expressed its opinion, the committee was quite concerned to read that our Ambassador to India, Chester Bowles, made the following statement in a press conference in Calcutta on September 25, subsequent to House action on the authorization bill:

Ambassador BOWLES. * * * The next point that is important to remember, that this does not in any way change the amount of American aid money going to India. We had been planning to spend \$500 million on Bokaro. We will now have \$500 million we did not have before to spend on something else. This now releases the same sum of money for other projects, assuming we continue to get the budgets we have had for aid to India. It is not a loss of income or aid money or grants or loans to India—it simply switches from one set of projects to another. For instance, there are projects which India is financing herself with her own foreign exchange, that you earn from the sale of jute, iron ore, and other products. We can take over some of those, releasing your own funds for Bokaro.

Such an attitude on the part of the U.S. Ambassador to India is hard to understand and in the opinion of the committee, puts any project in India which the United States may finance in the future in a very questionable light. The committee also questions the need for the allocation of any funds for the construction of steel mills overseas.

The committee recommends an appropriation for AID administrative expenses in 1964 of \$50 million. The committee

recommends also an appropriation of \$2,700,000 for administrative expenses of the Department of State connected with the foreign aid program.

Mr. Chairman, the military assistance program, according to the budget, is designed to strengthen the security of the free world by contributing to the development, maintenance, and training of modern military forces. For this purpose, the committee recommends an appropriation of \$1 billion in fiscal year 1964. There are 65 proposed recipients of this type of grant aid for fiscal year 1964.

The military assistance program reservation account, authorized by section 108 of the Mutual Security Appropriation Act of 1956, was established as a means of controlling military assistance appropriations. This provision provides that the military departments are to be reimbursed only upon receipt of documentary proof of delivery of the military goods and services ordered by the military assistance program.

The committee has no objection to the philosophy and objective of section 108. However, in practice military assistance program orders—reservations—are issued to the military departments, with major items specifically identified and costed while secondary items such as spare parts, consumables, et cetera, are in total dollar amounts, without item identification or unit cost. In the opinion of the Committee this latter type of reservation for secondary items without item identification or unit cost is tantamount to the military assistance program making a deposit of funds with the military departments and being able to withdraw from its "bank account" at some subsequent date such sums of money as may be necessary to fund new and even unjustified programs.

An example of the use of this "bank account" is detailed on pages 129–132 of part 1 of the printed hearings. Briefly, in March of 1962 the military assistance program was justifying a request for fiscal year 1963 funds to purchase 73 FX aircraft. Testimony developed that the cost would be \$54,700,000 for the 73 aircraft which were to be assigned to 4 countries. Subsequent testimony 6 days later indicated that the cost would be \$54,800,000 and that the planes would go to eight countries. In May 1962 the Pentagon selected the F-5 aircraft for procurement. During the testimony this year the committee ascertained that \$140 million has been allocated for procurement of 85 F-5 aircraft. Rather than waiting for approval by Congress of the fiscal year 1963 program which contained the request for funds for this aircraft, the military assistance program, upon authorization by Secretary McNamara dipped into the fiscal year 1962 and prior years' reservation account and on May 25, 1962, allocated \$2,500,000 to the program. On Friday, June 29, 1962, an additional \$22,500,000 was allocated to the program. The balance of the funding for procurement of the aircraft, \$115,020,000, was approved on October 16, 1962, out of fiscal year 1963 funds. In toto, approximately \$85 million more than what was justified was

obligated for this one program. This would indicate that there was not a lack of funds available to the military assistance program, yet the Congress was charged with "harming" the national security by its reduction of \$175 million in the fiscal year 1963 military assistance program.

A review of the reservation process in the past several years has caused the committee some concern. It would appear that the military assistance program develops a grant aid program of a certain dollar magnitude including both new obligational authority and an estimate of "recoupments" or deobligations. The Congress, after a careful review and analysis of the program, generally makes available a reduced amount of funds. This reduction does not seem to have very much effect on the program, inasmuch as the military assistance program officials, apparently, simply increase the amount of "recoupments" for the year to generally offset the reduction in the program recommended by the Congress.

A simple analysis of the program since passage of the Foreign Assistance Act of 1961 indicates that the Congress has been "spinning its wheels" in its efforts to reduce the funds available to the military assistance program inasmuch as the reservation process allows the military assistance program to obligate funds far in excess of the amounts contemplated by the Congress in approving appropriations for the military assistance program.

During this year's testimony on the military assistance program, Secretary of Defense McNamara stated with reference to the congressional reduction of \$175 million in the fiscal year 1963 military assistance budget:

Secretary McNAMARA. We did not have any unused funds in fiscal year 1963. We did suffer because of the cut in fiscal year 1963. There is not a unified commander in the U.S. military forces today who will tell you that we did not suffer. Our national defense was injured because of the cut. I can say it without qualification.

The Secretary specifically mentioned Greece and Turkey in his testimony as being harmed by the reduction in the appropriation request. Subsequently, the Secretary supplied information for the record which indicated that other countries close to the border of the bloc, such as Pakistan, Korea, the Philippines, and the Republic of China, were also affected.

Subsequent testimony by General Fuqua, the Director responsible for administration of the Near East, South Asia, and Africa region military assistance program is as follows:

In connection with the Greek military assistance program:

"Mr. PASSMAN. At least, you have \$219 million. Did you find you had a sufficient program for Greece in fiscal 1963? Your requirements were taken care of reasonably well?"

"General FUQUA. I believe so, sir."

In connection with the Turkish military assistance program:

"Mr. PASSMAN. You do not know of any serious deficiencies which would frighten you at this time?"

"General FUQUA. None that would frighten me; no, sir."

"Mr. PASSMAN. Thank you very much."

The other four countries specifically mentioned by the Secretary were Pakistan, Korea, the Philippines, and China. The budget program of March 1962 for these four countries, plus Greece and Turkey, was reduced, as of March 1963, by \$220,456,000.

The committee recommends and the Congress appropriates funds for the military assistance program on a lump-sum basis; the decision as to how much money is to be allocated to a specific country is the decision of the executive branch. The executive branch—not the Congress—determined that the six countries mentioned by the Secretary should receive funds below the estimates justified to the Congress.

In addition, an analysis of the total fiscal year 1963 program—as of March 19, 1963—indicates that the executive branch allocated to 32 countries and 2 area programs funds totaling \$223,885,000 in excess of the amount requested and justified to the Congress for these 34 programs.

The executive branch made the decision to allocate to these 34 programs approximately \$224 million more than was requested and justified to the Congress. This is more than the amount by which the 1963 budget programs for the six countries cited by the Secretary was reduced; therefore, the committee can see no validity to the Secretary's claim that our national security was injured by the congressional reduction of \$175 million. Rather, it would appear to the committee that the executive branch made that decision.

The committee is pleased to note that military grant assistance to Europe is at a decreasing rate—from \$370.6 million in 1962 down to the proposed \$229.3 million in 1964—but it is of the opinion that the United States is still programming too much grant aid to this area, especially in view of the phenomenal economic recovery of the area. It would appear that the greater majority of the European nations could well be taken off the grant aid rolls as they are now financially able to buy from the United States whatever military equipment and services they may require.

Another aspect of our military grant aid program for Europe that has caused the committee some concern is the fact that the NATO countries do not appear to be as concerned about the need for adequate defense expenditures as is the United States. While NATO has increased her defense expenditures, expressed as a percentage of gross national product, from 5 percent in 1950 up to 5.4 percent in 1962, the United States has increased its percentage from 5.1 percent up to 9.8 percent during the same period.

On a dollar basis NATO has increased her defense expenditures from \$5,879 million in 1950 up to \$17,298 million in 1962; during the same period the United States has gone from \$14,559 million up to \$54.4 million.

Another item of some concern to the committee was the decision in May of the executive branch by presidential determination to permit sales of military hardware to Yugoslavia despite the ob-

vious intention of the Congress to prohibit the furnishing of military hardware to Yugoslavia and other Communist governments. Such action was possible by the use of section 614(a) of the Authorization Act which gives the President the authority to waive the provisions of the authorization and appropriations acts when he deems such waiver is important to the security of the United States. The committee questions whether the use of this waiver authority to provide military assistance to Yugoslavia was important to the security of the United States.

I have already discussed the initiation of programs not justified to the Congress and the reservation of funds process. Typical of both of these comments is the MAP program in the Congo, which was initiated last year without presentation and justification to the Congress with an allocation of \$3,378,000. Of this total amount, \$696,000 was set aside for training. As of March 19, 1962, no training spaces had been assigned for Congolese military personnel.

During the testimony on the military assistance program for Africa the committee ascertained that funds were being requested to ship military materiel to four countries. The only thing wrong with the estimates was that there was no materiel to be shipped to the four countries.

Mr. Chairman, I have also commented previously about the proliferation of our aid program. One of the basic reasons seems to be the fact that once you start a program, you cannot stop it.

The following colloquy from our hearings is of interest in view of the Secretary's statement that the congressional reduction of \$175 million had injured our national security.

Mr. PASSMAN. You allocated out of the regular military assistance program appropriation to India last year \$60,002,000?

General FUQUA. That is correct.

Mr. PASSMAN. Was that out of the reduced appropriation, or did you have to go into some other section for funds for this item?

General FUQUA. We used the military assistance appropriation.

Mr. PASSMAN. There has been no supplemental or other source used to finance these plus projects? This all came out of the regular reduced appropriation that the Congress approved last year; is that correct, sir?

General FUQUA. That is correct.

Mr. PASSMAN. It came out of the fat we left in the bill. Thank you for the smile.

Another example of the initiation of unjustified projects and the ability of the military assistance program to use "recouped" funds is the infrastructure program in Thailand. The committee first learned of this program in November of 1962—4 months after the start of fiscal year 1963—when representatives of the committee were on a survey trip in the Far East area. The following colloquy is self-explanatory:

Mr. PASSMAN. You are familiar with the infrastructure program in North Thailand? Admiral HEINZ. Yes.

Mr. PASSMAN. What did that program cost last year?

Admiral HEINZ. The total program to military assistance program in 1963 was \$——.

Mr. PASSMAN. How much in fiscal 1962?

Admiral HEINZ. In 1962, the cost to military assistance program was \$——.

Mr. PASSMAN. When did you start the program?

Admiral HEINZ. This program was finally approved by the Secretary in June of 1962.

Mr. PASSMAN. When did you justify it to the Congress?

Admiral HEINZ. The program was not contained in our presentation of the 1963 program last year.

Another example of the so-called harmful effect of the congressional reduction of \$175 million last year is in the Latin America area. The following colloquy from pages 503-504 of part 2 of the printed hearings illustrates the effect of congressional action to try and control this portion of the foreign assistance program:

Mr. PASSMAN. What was your total request for Latin America for fiscal 1963?

Colonel ASHTON. Our total request for fiscal year 1963 in Latin America was \$76.9 million.

Mr. PASSMAN. What is the ship part of it?

Colonel ASHTON. The ship loan is \$22 million.

Mr. PASSMAN. As the Congress did not pass the ship loan legislation, that would have made your request, by election, \$54,900,000; is that correct, sir?

Colonel ASHTON. If the funds that were in for the ship loan were taken out of Latin America, the chairman is correct.

Mr. PASSMAN. How much, then, did you obligate for Latin America in fiscal 1963?

Colonel ASHTON. Our fiscal year 1963 program amounts to \$70.6 million.

Mr. PASSMAN. Where did you get the other \$15,700,000?

Colonel ASHTON. The \$15 million that was put in the program——

Mr. PASSMAN. \$15,700,000.

Colonel ASHTON. \$15,700,000. The funds were given to the region from worldwide recoupments, as explained by General Wood.

Mr. PASSMAN. That money came from the recoupment program too?

Colonel ASHTON. Yes.

Mr. PASSMAN. That is really a great device.

Mr. RHODES. The greatest invention since the wheel.

An excerpt from pages 564-565 of part 2 of our hearings relate to the unexpended balance on June 30, 1963, in the nonregional program of the military assistance program. Last year the fiscal year 1963 estimate for the account was \$47,055,000, and the unexpended balance on June 30, 1962 was \$194,000. During fiscal year 1963, \$97,248,000 was programmed for the account, deliveries during the year were \$106,121,000 and the unexpended balance on June 30, 1963 was \$112,867,000. The committee is at a loss to fully explain the mathematical ledger as to how any account can grow in 1 year from a minus balance of \$194,000 to a plus balance at the end of the year of over \$112 million at the same time as deliveries are made with a value of over \$106 million, during a year in which an 11½-percent reduction in the estimate "harmed" our national security. However, the following colloquy is sufficiently clear to establish that this fund was subject to the "recoupment" process and could have been used to procure ammunition for Greece, communications equipment in Turkey, aircraft for China, naval vessels for Korea, or any other purpose deemed necessary by those of-

ficials responsible for the administration of the military assistance program.

Mr. PASSMAN. You have reserved, or you have disbursed, \$218,988,000 out of this nonregional program. Along the way had you previously justified a requirement of \$47,055,000 remained firm and had your procedures been the same you would have had \$171,933,000 that could have been deserved and transferred over to the availability category. Would you say that that statement is correct?

Mr. COMER. The way you have put it I think that the answer would have been "Yes" if——

Mr. PASSMAN. Leave the "if" out temporarily, please, but if your requirement in category A did not have a high priority, say, such as a shortage of ammunition in Greece, and you had this squeezeout that we have established now, a net of \$171,933,000, then that money could have been allocated to any program with a higher priority, could it not?

Mr. COMER. I think we would say "Yes."

Under title II of the bill, Mr. Chairman, an appropriation of \$89 million, plus the reappropriation of approximately \$3.9 million of unobligated funds, is recommended to finance the activities of the Peace Corps in fiscal year 1964. The total recommended appropriation is \$33.9 million above the 1963 appropriation, and will finance a Peace Corps strength of approximately 10,500 so-called volunteers.

During the recent hearings on the fiscal year 1964 authorization bill for the Peace Corps, Director Shriver advised the Congress that the Corps had not reached its contemplated strength of 9,000 volunteers by August 31 but had on board on that date 6,634 volunteers and that \$3.9 million of the fiscal year 1963 appropriation of \$59 million had lapsed. Director Shriver further advised that the revised 1964 program now contemplated a program of \$102 million to finance a Corps of 11,300 volunteers by August 31, 1964, rather than 13,000 volunteers at a cost of \$108 million as originally proposed.

The committee is not as fully convinced as to the success of the Peace Corps as are its advocates and is concerned as to the very rapid growth of the Corps as evidenced by the fact that in just 2 years it is now operating in 47 countries and the proposal is to extend its operations into 1 additional country in fiscal year 1964. The committee is of the opinion that the Peace Corps is overextending itself prior to an impartial review and evaluation of its operations.

The committee ascertained during its hearings on the economic aid program that the Peace Corps has taken over projects that were being successfully operated by the economic assistance program of AID. Briefly, for one example, the AID agency was successfully operating the rural teaching training project in Liberia under a contract with the International Voluntary Services at an average annual cost of \$4,704 per IVS volunteer. The 26 IVS volunteers assigned to the project were replaced by Peace Corps volunteers with an average annual cost of \$7,164 per volunteer. Therefore, the annual cost to the Fed-

eral Government to have the Peace Corps take over the AID project is a minimum of \$63,960. If the Peace Corps supplies more so-called volunteers to a project than the IVS did, then the cost to the Federal Government increases by \$7,164 for each additional Peace Corps volunteer.

Another matter of concern to the committee is the value of some of the Peace Corps projects toward meeting the needs of the economically underdeveloped countries of the world. For example, as of August 31 there were 107 volunteers overseas in 11 countries in physical education projects and there were an additional 68 volunteers in training for additional projects in this field.

While physical education projects may be desirable and worthwhile, the committee questions their value to an underdeveloped country, especially when the Congress is being called upon to provide economic assistance appropriations of \$228,125,000 to assist the same 11 countries in their economic development. It would appear to the committee that if these countries are proposed to receive that much money for economic development purposes, then the Peace Corps projects should also be directed toward their economic development.

The budget proposed a limitation of \$20,500,000 on administrative expenses of the Peace Corps in fiscal year 1964, an increase of \$5,030,000 above the fiscal year 1963 obligations. The revised 1964 estimate noted above also reduced the administrative expenses estimate to \$20,300,000. The committee recommends a limitation of \$19,500,000 for the purpose in fiscal year 1964.

Included within the administrative expense limitation is an estimate of \$1 million for research, which represents an increase of 150 percent above the 1963 program.

Another item that concerns the committee is the rental cost of staff housing overseas. The budget estimate for the purpose is \$325,000 for rental of 124 residences, or an average annual rental cost of \$2,621 per residence. This compares with the average cost of \$2,380 per year as of June 30. Information submitted by the Agency indicated that the highest annual rental for staff housing was \$6,367 in the Ivory Coast, exclusive of utilities. Such a rate is exorbitant and the committee suggests that the Peace Corps continue every effort to obtain adequate housing at reasonable rates.

In his general statement to the committee, Director Shriver stated:

Requests from host countries: These requests are far in excess of the number we will be able to provide. Every country which now has volunteers wants more. Countries not having any have urgently requested us to send some.

I might say there are approximately two dozen countries that have asked the Peace Corps to come to them, that we have not gone to.

Despite the apparent acceptance and success of the Peace Corps, according to the foreign countries which have benefited from its operations, the committee ascertained that as of June 30, all of the host countries that have projects

now and want more volunteers have only contributed approximately \$3,336,000 toward meeting some of the local expenses of the Peace Corps in their countries. It would appear to the committee that if the Peace Corps is so successful in the eyes of the host countries, they should give consideration to taking over completely the projects initiated by the Peace Corps now that they have proven successful; or if complete takeover of the projects is not feasible at this time, the host countries should give serious consideration to increasing their contribution. The committee hopes that the Peace Corps will work toward both these objectives in the future.

The committee recommends the appropriation of \$10 million, which is \$1,045,850 above the funds available in 1963, for the Ryukyu Islands, Department of the Army. The committee has specifically denied the request for \$1 million for disaster relief.

The committee recommends an appropriation of \$56 million, plus the reappropriation of approximately \$14 million in unobligated funds on hand as of June 30, 1963, for assistance to refugees in the United States during fiscal year 1964. The committee has also taken cognizance of the following provision of Public Law 87-510 which is a source of additional funds for this refugee program in the event it should become necessary:

SEC. 2(c). Whenever the President determines it to be important to the national interest not exceeding \$10 million in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to and consolidated with funds made available for this act in order to meet unexpected urgent refugee and migration needs.

The committee considered a supplemental estimate of \$18,374,000, contained in House Document No. 174, for contributions to the peace-keeping activities of the United Nations and recommends the appropriation of \$18,374,000 for this purpose in fiscal year 1964.

Mr. Chairman, for other migration and refugee assistance, the budget estimate was \$10,683,000.

The major reason for the program decrease in fiscal year 1964 is due to the fact that the fiscal year 1963 appropriation included \$2,775,000 for the 1962 program. This action enabled the United States to put its contribution on a calendar year basis, the same period on which other nations are contributing to the program.

For these contributions to international and voluntary refugee relief organizations, the committee recommends an appropriation of \$10,550,000.

Last year the Congress appropriated \$60 million to complete the U.S. subscription to the capital stock of the Inter-American Development Bank. To date, the United States has made contributions totaling \$450 million.

The balance of the Bank's resources, \$509,476,000, has been contributed by 19 Latin American Republics, with the exception of Cuba, who is not a member of the Bank.

The present estimate of \$50 million as a U.S. contribution to the Fund for Special Operations is the U.S. share of a pro-

posed increase of \$73,158,000 in the Fund also.

Last year the committee commented on the apparent excessive costs of the annual meetings of the Board of Governors of the Bank. While there appears to be a leveling off of the expenses of these annual meetings, the committee is quite concerned with the cost of such meetings. It is of the opinion that the costs of the meetings far exceeds the value received, and it is of the opinion that the resources of the Bank can be better utilized in support of the Bank's basic objective which is the economic development of Latin America.

Last year the committee commented on the practice of the Treasury in paying the U.S. subscription when due, only to have the Bank reinvest a portion of the payment in U.S. securities. The committee is pleased to report this year that the United States has taken back and substituted non-interest-bearing notes to the extent of \$75 million of the ordinary capital subscription and \$50 million of the Fund for Special Operations subscription. The Treasury also plans to use a non-interest-bearing note payment procedure if this appropriation is approved by the Congress.

The committee recommends the appropriation of the budget estimate of \$61,656,000 for the International Development Association, which is the fourth installment of the U.S. subscription to this affiliate of the World Bank. Public Law 86-565, approved June 30, 1960, authorized a total subscription of \$320,290,000, of which \$196,978,700 has been appropriated to date. If this appropriation is approved, an additional payment of \$61,656,000 will be required in fiscal year 1965 under this authorization.

As of June 30, 1963, the International Development Association had 76 members with total assets of \$969,677,399. Of this amount \$595,781,250 has been paid in as of that date.

As of June 30, 1963, IDA had authorized loans with a value of \$495,150,000.

India is the largest borrower of funds from this organization, having received 13 loans with a value of \$300 million.

Title III of the bill, Mr. Chairman, provides for a limitation on operating and administrative expenses of the Export-Import Bank of Washington.

The President's budget proposed an operating expense budget of \$1,317,866,000, including \$3,500,000 for administrative expenses of the Bank. The committee has approved the budget estimate for both purposes and has included limitations in the bill to that effect.

Included in the overall limitation is a limitation of \$963,500,000 for commitments for development project loans, the same amount as the budget estimate for this purpose.

Title IV of the bill, based upon the recommendations of the Standing Subcommittee on Legislative Branch Appropriations, includes a total of \$2,838,275 under eight heads of appropriation for the legislative branch for fiscal year 1964, all but one relating to ordinary running-type expenses for the House of Representatives and its Members. With exception of the first item, the customary

gratuity to widows of Members decreased since the last provision on the matter, the amounts are based on estimates submitted in House Document No. 174 and are, in total \$175,960 below them.

The committee has also included, under title V of the bill, \$12,982,095 for the payment of claims and judgments rendered against the United States.

Now, Mr. Chairman, with relation to the appropriation for international organizations, I wish to add that the committee unanimously supported the Children's Fund, UNICEF. We have never earmarked any funds in that account. They do not want the funds earmarked. Further, I want to make it abundantly clear that during the subcommittee markup of the bill several Members—including the gentleman from Virginia [Mr. GARY], the gentleman from New York [Mr. ROONEY], and the gentleman from Massachusetts [Mr. CONTE], suggested that the committee make legislative history on the floor of the House in order to indicate that it was the intention of the committee that the Children's Fund was to receive the full amount of \$12 million, even though the majority of the committee reduced the total estimate for international organizations. I think the members of the committee are unanimous in wanting UNICEF to have the full \$12 million. We have never cut this program since its inception. The committee does not wish to have the program cut this year. We are providing the money. It would be an arbitrary action on the part of the people downtown if the money for this Fund should be reduced.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Chairman, I want to call attention to the fact that I raised the question in the subcommittee concerning the UNICEF program along with the gentleman from New York [Mr. ROONEY] and the gentleman from Massachusetts [Mr. CONTE]. The committee definitely agreed that they did not want the UNICEF program cut in this bill. There is another program that I think is very important and that has been very effective. That is the malaria eradication program. I for one, and I think the entire subcommittee are in complete agreement—do not want either of these programs cut, regardless of any cuts in the bill.

Mr. PASSMAN. I thank the gentleman. The gentleman brought this matter up first. I think he will agree that in prior years we did not earmark these funds. We discussed that matter in the committee; does not the gentleman agree?

Mr. GARY. That is correct.

Mr. PASSMAN. And we want the same kind of treatment in this matter for fiscal year 1964.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. FRASER. Mr. Chairman, I wonder if the distinguished chairman of the subcommittee could tell us where the cuts

will come in the international organizations? The subcommittee has cut the amount \$36 million from a request of \$136 million. And if you do not take it out of the Children's Fund and if you do not take it out of the World Health Organization, which of these programs, Mr. Chairman, do you propose to take it out of?

Mr. PASSMAN. May I say to the gentleman that it is not \$136 million. The people downtown said that they had asked for more money than they needed. So, they sent us a letter asking that the total amount be reduced.

We likewise know that they have adequate funds and they also have flexibility to reallocate the money wherever they want to use it.

Also, the President may transfer out of his contingency fund into certain other funds in the U.N.

Mr. Chairman, I want to mention now the malaria eradication program, which is scattered throughout this entire bill. We have never cut this program since its inception.

The gentleman from Massachusetts [Mr. CONTE] had an interest in this particular program. I discussed it with the gentleman. We are today making legislative history here to the effect that the reduction we are recommending should not apply to the malaria eradication program.

Mr. Chairman, I ask the Members to look at the amount of credits under development grants, development credits, supporting assistance, and so forth, as carried in the total amount of the bill.

They are going to have in excess of \$3 billion in these accounts. You know and I know that insofar as the \$29 million is concerned that is "peanuts" to the aid people. So, they are using it to see if they cannot start rolling the committee on the small items and then they think they can turn the entire thing over.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. ROONEY of New York. With relation to the Peace Corps, this appropriation bill also includes in addition to the \$89 million mentioned by the gentleman, the carryover of \$3.9 million to which the gentleman previously referred; does it not?

Mr. PASSMAN. Yes, sir; the amount is \$3,863,971.03.

Mr. ROONEY of New York. That is also provided in this bill?

Mr. PASSMAN. That is correct.

Mr. ROONEY of New York. And you did, Mr. Chairman, include that in addition to the \$89 million; is that correct, and does it not come out to about \$93 million?

Mr. PASSMAN. The gentleman is correct.

Mr. Chairman, I hope that I have presented a reasonable and understandable explanation of the bill under consideration. I trust the Members will support the recommendations of our committee. And, I thank my colleagues for the attention that they have given to my remarks.

Mr. ROONEY of New York. Mr.

Chairman, I should like to take advantage of this opportunity to explain that I was one of a very small minority in opposing the drastic reductions made by the subcommittee and full House Committee on Appropriations on the pending bill. I have all along supported the late President Kennedy and present President Johnson in their appropriations requests for foreign aid—mutual security—the Peace Corps and the other matters in this bill.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, more often than not in the past the gentleman from Louisiana [Mr. PASSMAN] and myself have been on opposite sides at the time this bill has come to the floor of the House for consideration. On some occasions in the past we have violently disagreed. But I want to say on this bill today I wholeheartedly support the action taken by the subcommittee and the full Committee on Appropriations.

Mr. Chairman, ever since the action was taken on Friday in the subcommittee and on Saturday in the full committee all of us have received a number of telegrams and communications of one sort or another condemning the action of the subcommittee and the full committee and urging each and every one of us to do something to remedy the alleged harm and detriment that has been done to this program as a result of the reductions which the subcommittee and the full committee have made.

Mr. Chairman, I have in my hand a telegram from the U.S. Chamber of Commerce urging that we appropriate \$3.6 billion. I have a telegram from one of our former colleagues, Mr. Andrew J. Biemiller, director of the department of legislation, AFL-CIO, urging that we appropriate more money than is recommended in this bill.

I have a letter from Victor G. Reuther of the AFL-CIO urging us to appropriate more money than we have proposed.

I have a telegram here from Dr. Alona E. Evans, the area representative of the American Association of University Women. She is greatly disturbed because of the alleged drastic cuts made by the subcommittee and the full committee.

I have a telegram here from Murray D. Lincoln and Jerry Voorhis, executive director; and Roy Townsend, director of the Washington office of the Cooperative League, urging that more money be made available than is included in this bill.

Mr. Chairman, there are some other telegrams here in this pile. However, I think we ought to take a look at, perhaps, the reason why some of these telegrams have been sent to us. I take, for example, the one from the Cooperative League particularly. They have more than a casual interest in this program. As a matter of fact, they have contracts with the Agency for International Development. They had four contracts in

fiscal year 1963, one for \$35,000, one for \$88,000, one for \$343,000, and another one for \$24,000.

Mr. Chairman, based upon fiscal 1963 and what is anticipated in fiscal 1964, the Cooperative League of the United States of America has contracts with AID to the extent of \$533,430.

Mr. Chairman, I do not think they are prejudiced in the consideration of this legislation. Therefore, I think we all have to take a good look as to from whom we are receiving some of these pleas for action. We ought to take a look and see whether they are really as unbiased and objective as they appear to be.

Now, Mr. Chairman, I want to be sure that I have a paragraph here at this point.

We have also been urged by the President to change these figures upward. It appears the administration desires the full authorization figure of \$3.6 billion. Now, this is not unique for a President to urge more funds rather than less. I know of at least three other Presidents in the last 15 years who have urged us on reasonably similar occasions to increase funds that the House Committee on Appropriations has recommended for the foreign aid program. However, I think that when you look at the overall picture today, the amount of money recommended by the House Committee on Appropriations is adequate to do the job with the possible exception of military assistance. I will say more on this later.

Let me give to the members of the Committee some evidence as to why I believe that. Last year we went through a somewhat similar exercise. The President recommended about \$4.9 billion. The House Committee on Appropriations cut it very substantially, a reduction of slightly over \$1 billion.

There were cries of "woe" from people that the program was going to collapse, our foreign aid policy would be destroyed.

Let me take just two or three examples to show that these cries of "woe" should fall on deaf ears once in a while.

Take the development grants. Budget request last year, fiscal year 1963, \$335 million. Actually appropriated, \$225 million, a \$110 million cut. That is a pretty sizable reduction.

Last year they recommended for development \$1.25 billion. Congress appropriated \$975 million, in this case a \$225 million reduction.

Everybody said that the economic aid program was going to be in serious jeopardy. It was alleged we cannot carry out our foreign commitments, our foreign policy programs will be destroyed.

Let us take the hearings. During the hearings, page 1393, part 4, I was interrogating Mr. Gaud, who was at that time head of the area involving India and Pakistan. On page 1392 I asked Mr. Gaud this question:

What were the reasons for the difference between the \$465 million which you justified and the \$402 million which you executed?

In other words, in fiscal 1963 program they asked for \$465 million. When they

got all through with fiscal 1963 they actually executed \$402 million.

Questions and answers followed. On page 1393 Mr. Gaud stated:

We did not make as big a commitment as I anticipated; that is correct.

Mr. FORD. Because of the shortage of the consortium funds.

Mr. GAUD. That is right.

Mr. FORD. So whatever changes you made in your program between what you justified and what you executed had no relationship to a reduction made in the appropriations by the Congress?

Mr. GAUD. That is true.

Now let us turn to Pakistan. Bear in mind in fiscal year 1963 we had in the overall a cut of \$110 million in development grant fund, we had a \$275 million in cuts in development loans.

Again I was trying to find out what they asked for and what they actually executed.

Mr. FORD. So far as Pakistan is concerned, in fiscal 1963 there was more than enough unobligated funds available to consummate the program up to the level you justified?

Incidentally, they justified \$235 million for Pakistan and they executed \$186 million. So there was a difference of \$49 million between what they asked for and what they actually executed.

Mr. FORD. It was not lack of money that caused any troubles with Pakistan?

Mr. GAUD. That is right.

Then our chairman could not help but get in a comment:

Did too much money cause you any concern?

Mr. GAUD. It has not yet.

But the facts are they justified a high figure, and they executed a low figure. When they justify the high figure they know very well they cannot carry out those programs. So when the reductions are made by the Congress, as they have in the past, in my opinion these programs can absorb those reductions. The history of the programs proves that beyond any doubt whatsoever.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to ask a question with respect to page 11 of the committee report, justifying, as I understand it, the reason why \$70 million was cut from the request.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FRELINGHUYSEN. The statement to which I refer is, a reduction of \$70 million reflects in part the committee's action in recommending \$89 million for the Peace Corps.

Do I understand the theory is because less is being appropriated for the Peace Corps than was requested, this justifies the \$70 million less in development grants?

I am not sure what the relationship is for the granting of a reduced amount for the Peace Corps and therefore using that as a justification for a \$70 million reduction in development grant funds.

Mr. FORD. From my own recollection, I cannot associate or connect the two reductions I would only say that the reductions in the development grant, as far as I am concerned, were done on the basis of the facts involved in that program, and there was no necessary relationship between that program and the Peace Corps.

Mr. FRELINGHUYSEN. As I understand the gentleman's argument, it is because they use less in specific projects than they estimated they would we are now justified in cutting the requested amount from \$220 to \$150 million?

Mr. FORD. I was just trying to illustrate how last year they asked for a high sum and they actually carried on a program at a lower level. On the testimony of Mr. Gaud, the reduction in the amount we gave them in fiscal year 1963 did not interfere with the execution of that program by his own testimony.

Mr. FRELINGHUYSEN. This would seem to be an argument that an agency which spent less that it was able to spend or might have spent would therefore be penalized next year when it comes around looking for more funds.

Mr. FORD. No. I think we have to take the record and see how they have inflated their programs in the past. In that way we can make bona fide reductions.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. RHODES of Arizona. The gentleman from Michigan is well aware, I am sure, that the bill we now have under consideration reappropriates in the category of development grants the sum of \$47,399,786, which was unobligated at the end of the last fiscal year.

Mr. FORD. We have reappropriated all the funds they did not obligate in fiscal 1963, money which would have lapsed in the ordinary course of events.

Mr. RHODES of Arizona. The total appropriation for development grants is in the neighborhood of \$200 million.

Mr. FORD. Mr. Chairman, the only area I am personally concerned with or apprehensive about is the military assistance program.

The administration asked for \$1,405 million. The authorization level was set by law at \$1 billion. We have made available all of the money that could be made available under the authorization. We approved a \$1 billion military assistance program plus the reappropriation of about \$25 million for money that had lapsed at the end of fiscal year 1963. In addition to this,

under the basic authorization act they can withdraw up to \$300 million of our own military mobilization reserve stocks and come back later to the Congress for replenishment funds. In other words, if the authorities run short under the military assistance program in fiscal 1964, on the order of the President and the Secretary of Defense they can dip into our own military mobilization reserve stocks and draw up to \$300 million, utilize those stocks, then subsequently come back to the Congress for replenishment. If they can justify it, the Congress I think would be receptive to give them the necessary

obligational authority to replenish the stocks that have been depleted. So when you add the \$1 billion plus the authority in section 512, in my judgment the military assistance program can be financed in fiscal year 1964.

I cannot help but say at the same time that some of us in the Congress are a little irritated and some of us are a little concerned about the attitude of our allies, primarily some of our allies in Europe. We have given to our NATO allies since the end of World War II almost \$40 billion. Overall I do not think Europe today is doing its fair share for their or our mutual defense.

Right now Europe is enjoying a record shattering period of prosperity. There is overemployment and not unemployment. The living standards of Europe are rising at a rapid rate. The European currencies in many respects are stronger than our own. Everybody knows that the economy of Europe as a whole is thriving. There is a serious threat to our own gold supply and our balance-of-payments problem is dangerous. Yet, we are doing more than our share and we have been doing it since the end of World War II.

For example, in foreign aid alone, if you go back to the fiscal year 1961, the total U.S. foreign aid program was almost \$5 billion. The total foreign aid program of the NATO allies was about \$2½ billion and much of it goes to former colonies. We are doing twice as much on foreign aid as they are and our economic problems today are more serious than theirs.

The burden of defense of Western Europe is heavier on the shoulders of Americans than it is on the shoulders of Europeans. As a matter of fact, when you look at the total U.S. defense expenditures in fiscal year 1962 they were about \$54 billion or 9.8 percent of our national output. Our European NATO allies at the same time spent about \$17 billion, or 5.4 percent of their national output.

As a matter of fact, most if not all of our NATO allies do not have as tough a draft law as we have. They do not have as large a percentage of their total manpower in their military forces. Overall, our European allies are not doing their share and we are doing more than our share. It is about time that they, our allies, do better, or we should restudy the situation and possibly make some changes in our overall military programs for Western Europe.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MINSHALL].

(Mr. MINSHALL asked and was given permission to revise and extend his remarks.)

Mr. MINSHALL. Mr. Chairman and members of the Committee, I would be remiss as a new member of this subcommittee if I did not pay tribute to our fine chairman and the distinguished minority member who chairmans our side of the delegation, the gentleman from Arizona [Mr. RHODES]. It has been a pleasure to work with them; with all the members. As you know, we have spent

practically 800 hours and some 4 months on this bill in committee and in research. Our committee record comprises many volumes.

There are many facets that I should like to discuss about the foreign aid bill, but it seems to me, Mr. Chairman, that one of the most important results of the foreign aid hearings this year is the acknowledgment by the executive branch that the American public is being denied much of the true facts about the foreign aid program. Time and again during the hearings this year, I have questioned the validity of classified portions of the request. The published hearings would be substantially thicker, two or three volumes worth as a matter of fact, if all of the testimony were printed.

As our subcommittee chairman, the gentleman from Louisiana [Mr. Passman], said to one AID official:

It looks like a ticker tape parade when you see us lifting secret and classified stuff in the hearings.

For 5 years I have sat behind locked doors of another subcommittee—Defense Department Subcommittee of Appropriations—and discussed our Nation's most acutely sensitive defense secrets. We have heard top Pentagon officials from Secretary McNamara on down, and in all those years I have not seen more classified labels than I have in just the past few months as a member of the Foreign Operations Subcommittee.

I remarked in committee, and I repeat it today on the floor: this overclassification by the executive branch is a device to prevent the American people from finding out just how ridiculous some of the aid programs are. I think we should let the public know some of the silly things we are doing. They are more than annoyed now with the little they have found out.

When I first came to Congress in 1955 I was disturbed by the manner in which both the foreign aid authorization and appropriation bills were presented to the Congress, cloaked in secrecy and stickered over with labels reading from "confidential" to "top secret." A year's service on the Foreign Operations Appropriations Subcommittee has confirmed what I have always suspected: that the "classified" label all too often is nothing but a coverup.

It is only when the money is spent and gone that we discover that our tax money has sent air-conditioned Cadillacs to Middle Eastern potentates, built inoperable fertilizer plants in Taiwan, provided Lebanese bulls with nine stalls apiece, bought extra wives for Kenyan Government officials, equipped jungle villages with 23-inch television sets, outfitted Greek undertakers with new suits, supplied hundreds of surplus aircraft to nations suffering a shortage of trained pilots.

AID officials this year admitted there is no conscionable reason for much of the

classification of information in the foreign aid budget request. They have promised to put the facts on the table in the future. I think they are finally aware that the American public is no longer going to tolerate their tax dollars being wasted on programs and projects which benefit neither our own nor the recipient nation.

The classified label has been a convenient way of cloaking over this sort of misuse of public money. I am hopeful that the executive branch is sincere in the assurances its officials gave me that next year's request for foreign aid money will not be overclassified.

This "coverup" during their presentation was obvious throughout the subcommittee hearings, and I refer specifically to pages 1411, 1425, 2017, and 2018 just to name a few of the printed hearings when we were given definite assurances that aid officials would avoid using the classified stamps on programs of a nonsensitive nature. It is very apparent in this year's budget that many items were placed in the national security class when such classification actually was a matter of mere State Department political expediency.

This overclassification is one of the reasons that many of us who would willingly vote for programs fulfilling a moral obligation or performing a genuine service will be compelled today to vote against this bill. Hopefully our protest will demonstrate to the executive branch that the American public will no longer tolerate waste and extravagance which benefit neither our own nor the recipient nation.

When I first came to Congress in 1955, some 9 years ago, I supported foreign aid. I recognize that in some areas we have a moral obligation, in others a definite commitment involving national security. This does not outweigh the fact that the bill before us today carries in it so much that could be eliminated, so much unnecessary fat even despite our \$800 million cut, that I must vote against its passage.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, we have listened to the able chairman of this subcommittee, the gentleman from Louisiana [Mr. PASSMAN], give us at least 100 good reasons why this House should vote this bill down today. Mr. Chairman, the Members of Congress were assured by the proponents of the foreign aid bill when it was first presented to Congress that after 5 years all foreign nations would be self-supporting and could stand on their own feet. Hence I, like most of the Members of the Congress, voted for it. But lo and behold, after the 5 years has expired the amount of our taxpayers dollars had been given away free, gratis, to those nations in greater sums year after year.

In this bill now before the House we are asked to appropriate over \$3 billion to be handed free, gratis, to over 100 nations across the 7 seas. Most of the rank and file people in those nations do not know we are doing so, as they get little or no benefit from our generosity.

Mr. Chairman, if we in the United States of America had \$3 billion lying around doing no good to anyone, it might be a different story; but the facts are that our U.S. Treasury is in the red \$310 billion on which the overburdened American taxpayer pays upward of \$11 billion just for interest alone on our national debt. Putting that total amount in language and in figures more understandable, each American family on the average is paying about \$12 per month just for interest on the national debt. At the same time we are told by high officials of this Government that there are 10 million families in America today who are eking out a bare existence, which is not difficult to understand when we know that the ultimate consumer of goods pays every dime spent by local, State, and our Federal Government.

A great hue and cry is heard, "Soak the rich." But let me say that is just so much baloney to placate the rank and file of our American people when the facts are that over 70 percent of all goods and services are bought and consumed by people whose annual income is less than \$6,000. And so these relatively non-well-to-do people of America are paying over 70 percent of every dime this Congress appropriates, and that local and State governments appropriate. Our factories, our merchants, and our service groups must add all their taxes to the price of their goods and services or they will soon be forced to close their doors. And to that they must add the high cost of doing business, which is climbing by leaps and bounds year after year—caused to a marked degree by the increased taxation of every nature.

Now listen to this statement on page 5 of the committee report:

During the early years of the foreign aid program the dollar was regarded as a super-strong currency despite the fact that the United States had a deficit balance of payments in every year beginning with 1950 through 1962 with the sole exception of 1957 where we experienced a surplus balance of payments of approximately \$500 million.

Since 1958 the dollar has been growing weaker and one of the major reasons, in the opinion of the Committee, has been the outflow of gold. On December 31, 1957, the gold stock of the United States amounted to \$22,857 million. Since that date our gold stockpile has been diminishing steadily and on June 30, 1963, it amounted to \$15,830 million, a drop of \$7,027 million. During this same period of 5½ years, 52 foreign nations—each one a recipient of United States foreign aid—purchased from the Treasury \$6,823,200,000 of U.S. gold. A table showing the net sales of gold from the U.S. Treasury to recipients of the foreign aid program follows.

Net sales of U.S. gold to foreign aid program recipients

[In millions of dollars—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	Jan. 1- June 30 1963	Total
Austria	-\$84.2	-\$82.7	-\$1.1		-\$142.5	-\$50.0	-\$360.5
Belgium	-329.4	-38.5	-140.9	-\$144.4	-63.0		-716.2
Burma			-3.8		-20.9		-24.7
Cambodia			-12.0	-3.1	-1.7	-2.3	-19.1
Cameroon Republic						-1.9	-1.9
Central African Republic						-7	-7
Ceylon		-7.5					-7.5
Chad						-7	-7
Chile	+3.0	-1.3	-2.0	-6.6			-6.9
Costa Rica				-2.3	-5		-2.8
Cyprus				-2.0			-2.0
Dahomey						-8	-8
Denmark	-17.0	-15.0	-15.0	-35.0	+15.0		-67.0
Dominican Republic				-3.0			-3.0
Ecuador					-3.2	-2.3	-5.5
Egypt			-7.5	-7.8	-1.2	-9	-17.4
Country A		-4.7	-3.0				-7.7
France		-265.7	-173.0		-459.1	-202.6	-1,100.4
Gabon						-7	-7
Germany (West)			-33.8	-22.5			-56.3
Ghana			-5.6				-5.6
Greece		-15.0	-47.0	-10.2	-19.1		-91.3
Honduras			-8				-8
Indonesia		-11.0	-24.9				-35.9
Iran	-2.3		-4	-16.1		-5.9	-24.7
Iraq			-20.8				-20.8
Israel		-4.4			-10.0		-14.4
Italy	-348.8			+100.0			-248.8
Ivory Coast					-1.5		-1.5
Japan	-30.1	-157.4	-15.2				-202.7
Korea		-1.6					-1.6
Laos				-1.9			-1.9
Lebanon				-21.0	-32.1		-53.1
Mexico		-30.0	-20.0				-50.0
Morocco			-21.0				-21.0
Netherlands	-260.9	-29.9	-249.4	-24.9			-565.1
Niger						-8	-8
Nigeria				-20.0			-20.0
Pakistan			-12.5				-12.5
Peru			-15.0	-5.0	-6		-20.6
Portugal	-20.0	-10.0					-30.0
Saudi Arabia			-11.3	-47.5	-12.6		-71.4
Senegal						-1.7	-1.7
Somalia					-1.9		-1.9
Spain	+31.7		-113.7	-156.2	-146.1	-130.0	-514.3
Surinam	-2.5		-2.5		+2.5		-2.5
Syria			-2.1		-1.3		-3.6
Tunisia			-5		-5		-10
Turkey			-6.1	-2.5	-1.1	+6.0	-3.7
United Kingdom	-900.0	-350.0	-550.0	-305.7	-387.0	+124.5	-2,368.2
Upper Volta						-8	-8
Yugoslavia		-1.5	-15.9		-1.5		-19.7
Net sales of gold	-1,960.5	-1,026.2	-1,535.8	-737.7	-1,289.9	-273.1	-6,823.2

Yet this very day we are asked to impose an additional burden of taxes on each American family on an average of \$3.50 per month, which is doing little or no good, nor appreciated by the common people in those more than 100 nations across the sea.

Hence I shall vote a loud "no" on this bill.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONTE].

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman and members of the Committee, at the outset I want to join with my other colleagues in complimenting the chairman of the subcommittee and the ranking minority member for the hard and conscientious work which they have done during the hearings on this very important issue.

Mr. Chairman, as the members of the Committee of the Whole will recall, I objected to my chairman asking unanimous consent to file the report on this bill by midnight last Saturday. I did so, Mr. Chairman, because I felt that a bill of such great importance not only

to the United States but the free world should have been reported out and given enough time for the Congress and for the people of the United States to voice their opinion on this important subject matter.

Here, Mr. Chairman, we reported the bill on Friday and to the full committee on Saturday. In the interim, we had Sunday, the Lord's day. And now we are coming in here trying to intelligently debate this particular issue today.

Mr. Chairman, I would like to make one other observation, and that is this: I hope the Democratic majority will respond to the plea of their President, the Chief Executive of our country, and try to do everything they can today to restore the cuts that have been made to this bill. Because, Mr. Chairman and members of the Committee, if those cuts are not restored and if such an attempt is not made by the Democratic majority, I do not see how the Democratic administration can ever again come to the Republican side of the aisle and ask for bipartisan support on foreign policy because, certainly, they would be letting me down, they are letting the people down who are looking to them for leadership today.

Mr. Chairman, the bill reported out from the Appropriations Committee appropriating funds for the foreign aid program concerns me greatly. I believe that there is considerable doubt as to whether this bill is adequate to protect our national security and foreign policy interests.

Every President since the close of World War II has supported this bill strongly. President Eisenhower has only recently reaffirmed his support for foreign aid. President Kennedy strongly endorsed the need for foreign assistance. And I was pleased to see that President Johnson also has given his strong endorsement of an adequate foreign aid appropriation.

The bill reported by the Appropriations Committee has a number of glaring inadequacies, in a number of respects it is a prescription for retreat, and there can be no question that the bill shaves the margin of safety for this country much too close.

For the first time, the Congress is on the verge of repudiating the United Nations. And this repudiation comes at a time when the President of the United States is due to address the General Assembly. This is hardly the Christmas present that we should be giving the President to carry with him to the United Nations. As he stands before them tomorrow, he will carry with him that the Congress of the United States believes that other nations should live up to their commitments, but that we do not have to do so.

The executive branch has requested \$130,903,000 in appropriations for the contributions to the international organizations—most of which are U.N. organizations. These go for programs that are of great importance to us—not only because they assist other countries, but also because all the nations of the world are invited to share the costs—and most do share these costs. In other words, this appropriation is one of the most valuable we can make because it brings along with it funds from others. To cut this fund is certainly a false economy because others will follow our leadership and cut their budgets to the U.N. also.

I think that this cut in contributions to international organizations comes at a particularly bad time, for another reason. We are taking the position that those who fail to live up to their commitments to the U.N. should lose their votes in that body. Although I realize that the contributions involved in this category for the most part do not involve assessed contributions so that we would not lose our vote for failure to live up to our pledges, nevertheless, a principle of meeting our just obligations is involved.

The report of the committee stated that there were several programs of concern but the committee did not say whether or not we should live up to our commitments to these programs. The United States under President Eisenhower's leadership made an offer to the nations of the world that we would match contributions to the United Nations expanded program of technical

assistance and special fund. This matching formula in which the United States agreed to put up 40 percent of the total has worked dramatically: the contributions of other countries have increased by approximately \$50 million, per year. When President Eisenhower made his matching offer for this fund, he stated that we would provide 40 percent of the total until a fund of \$150 million per year is reached. We are now very close to that total. But to attempt to reduce our percentage of this fund right now would not only mean that the contributions of others would fall off, but it would constitute a direct attack upon the promise of General Eisenhower.

The committee attacks the contributions that we make to the World Bank for the Indus River project. It is true that the estimates for this project were not completely firm at the time that we agreed to enter into the project under the leadership of the World Bank. But this commitment by the United States was made. It was made to further a political settlement of one of the two great outstanding problems between two countries involving half of the population of the free world. The United States has made its solemn pledge. Would the committee have us back off from that pledge? I do not think that any responsible American would have us fail to meet our commitments—yet insufficient funds have been provided under this bill.

It may be possible by various funding techniques to meet our commitments to international organizations without appropriating the full authorization under contributions to international organizations. I personally believe that we should call upon the executive branch to make every economy possible. I therefore believe that funds should be restored to the international organization chapter, but not the full amount.

The reduction in the funds available for supporting assistance undercuts directly the security of the United States. These funds, which go largely to Vietnam, Korea, Laos, and Jordan, have been reduced from about \$800 million appropriated for similar purposes in fiscal year 1961. But this is not the time to cut back our program to Vietnam: the new Government deserves our support. In Korea, we have obtained some recent action on the part of the Koreans in return for our support. If we undercut our commitments we not only can cause financial chaos within the country and give the Communists an opportunity to exploit the situation, but we will have indicated that we do not intend to support the present Government of that embattled country. Once before this country indicated that it would not draw the line in defending Korea. The quick answer of the Communists was an invasion of South Korea. Are we going to make the same mistake again? Are we going to tell the world that we are reducing our commitment to defend the free world? This is a policy of retreat and defeat which should not be followed.

If the countries of Jordan and Laos lose our support, those countries stand great chances of ceasing to be countries at all. They could very easily disinte-

grate entirely, with their neighbors invading and starting wars over the spoils. These wars will inevitably involve the United States.

DEVELOPMENT LOANS

Mr. Chairman, the foreign aid bill before us proposes a sharp retreat from American leadership of the free world. It would deprive our new President of the tools he needs to fulfill his promise to the world, that America will remain strong around the world and will meet our commitments.

Mr. Chairman, of particular concern to me is the slash of more than one-third in funds appropriated for development loans to a level of only \$600 million. The Congress—and wisely so—pressed the AID agency to move its economic assistance from grants to loans. AID has moved successfully: In fiscal year 1961 only 30 percent of country economic assistance was in loans; the funds proposed for fiscal year 1964 earmark almost 60 percent in dollar repayable loans. We are rewarding this important improvement by slashing appropriations for development loans below the reduced amount authorized.

The appropriation of only \$600 million for development loans would mean that the United States would fail to live up to its international commitments. In India, Pakistan, and Turkey, the United States has entered into multilateral arrangements to provide vitally needed development capital. The commitments which the United States has made to date for use in these three countries alone in fiscal year 1964 exceed the \$600 million appropriation proposed.

The United States has played a leading role in fostering multilateral aid giving because more aid funds from other aid sources are obtained on a matching basis under these arrangements. The drastic reduction of loan appropriations will have a "multiplier effect" in reverse: the less we are able to loan, the less others will loan.

The failure to give adequate support to the development efforts of India and Pakistan will mean that about half of the free world's population will live without hope for the future. And our firm consortium commitments to these two countries require AID loans of about \$340 million from fiscal year 1964 funds.

In Nigeria and Tunisia the United States has made long-term commitments to these two African development leaders. The drastic reduction could mean that we would fail to meet our scheduled commitments there.

Although a 5-percent carryover of funds from fiscal year 1963 will add about \$50 million to these appropriated for fiscal year 1964 and be available for the fiscal year 1964 program, there are a number of countries where loans would appear difficult if not impossible: In Greece and Israel where an immediate termination of lending would have serious political consequences; in Liberia and Ethiopia where the United States has special interests; in Korea where long-term investment is the only hope for self-sufficiency; and in about 20 other smaller countries where very

modest development loans can make a major impact upon the economies.

The appropriation of only \$600 million in development loans would thus preclude the United States from fulfilling its existing commitments, slow down development efforts in key countries of Asia, Africa, and the Far East, and indicate a withdrawal of U.S. interest and leadership from half of the globe.

Mr. Chairman, this unwise slash in our development loan fund strikes at the heart of our foreign aid effort. It must be restored.

Mr. Chairman, I wish to state my concern over other cuts. The Alliance for Progress reduction comes at a crucial time for the Western Hemisphere. We should be augmenting our support, not cutting it down. We should give the Alliance our support.

The foreign aid program is essential for our national security. The cuts we make can endanger every one of us. It is our responsibility to make the best judgment we can. I believe that we should act responsibly. We cannot rely upon the other body to provide an adequate amount—we must make up our own minds. I believe that we should restore some funds which we have cut. I hope that others will agree.

Mr. Chairman, at the last press conference that our late lamented President Kennedy had he was asked how he felt on some of the cuts made in the authorization bill in the Senate, and he said:

But on the other hand, the President bears particular responsibilities in the field of foreign policy. If there are failures in the Middle East, Africa, and Latin America, and South Vietnam and Laos, it is usually not a Senator who is selected to bear the blame, but it is the administration, the President of the United States.

I regard this, President Eisenhower regarded it, and President Truman; it is no coincidence that all three Presidents since this program began, and presidential candidates: Mr. Nixon, and Mr. Stevenson, and Governor Dewey, and all of them, Governor Rockefeller today, and others—it seems to me all recognize the importance of this program. It is because it is a very valuable arm of the United States in the field of foreign policy. I don't think it is recognized what an important influence this has.

Now we spend \$51 or \$52 billion on defense. We spend \$2½ billion on the atomic energy program, and we spend \$5 billion on space, of which at least a good percentage has a military implication in the sense of our national security, and we spend all of this money and yet we are going to deny the President of the United States a very, very valuable weapon in maintaining the influence of the United States in this very diversified world.

I can't imagine anything more dangerous than to end this program. I can assure you that whoever is President of the United States succeeding me will support this program.

The second point I want to make is that what we are now talking about is only a fourth of what we tried to do in the early 1950's. What I said in the—I don't understand why we are suddenly so fatigued. I don't regard the struggle as over and I don't think it is probably going to be over for this century. I think this is a continuing effort, and it is not a very heavy one. It is a fraction of our budget, a fraction of our gross national product, and the gross national

product of the United States has increased \$100 billion—will have by the end of this year, in a 3 year period.

So what we are asking is a billion dollars less than the average program since 1947; the need today is greater, these countries are poorer, there is a good many more of them; and yet we are being denied—the President of the United States is being threatened with denying him a very important weapon in helping him meet his responsibilities. The Congress has its responsibility, but in the field of foreign policy there are particular burdens placed on the President, whoever he may be.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I would be glad to yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman from Massachusetts. I should like to commend the gentleman for his statement. As a member of the House Committee on Foreign Affairs I agree thoroughly that this bill was brought up with unseemly haste. There is really no time today in which to state the case for more adequate funds or to lead a fight for them. Indeed there seems to be little leadership evident today. However, I do think in this area of international agencies that a case can easily be made for a more adequate amount than the \$100 million which is being proposed.

I am concerned about the legislative history which has been made thus far. We have indicated only that a few of those agencies should get their full amounts—the chairman of the subcommittee indicated that the contingency fund might be a source of supply if more money is needed. Yet on page 19 of the committee report it is suggested that the contingency fund should be used only for the purpose of providing a source of funds for the President to meet unforeseen emergencies in the world which are important to the national interest. This would seem to me to preclude the use of the contingency fund to make up for amounts which we know we should be providing in this bill.

Mr. CONTE. I thank the gentleman.

Mr. Chairman, the late lamented President Kennedy was then talking about \$3,600 million, which has been pared down with a meat ax to less than \$3 billion as of today.

Mr. PASSMAN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS of Alabama. Mr. Chairman, I should like to compliment the chairman of our subcommittee for the great job he has done in conducting the hearings on this bill and bringing the bill to the floor. I sat with him during most of the sessions while we heard hundreds of witnesses and filled four volumes of testimony. I wish each Member of the House, each American, could read the testimony in these four volumes. It is impossible in this short time to discuss all of the many, many acts of irresponsibility on the part of the officials who handled the execution of this foreign aid program, but I should like to invite each Member of the House to read from page 996 of volume III of

the hearings, one of the most unreasonable cases that has ever come to the attention of this committee.

In June 1962, on the 25th day of the month, the head of one of the recipient governments told the AID officials that his country was no longer interested in 29 projects that had been planned for that country, carefully planned, so we were told. Money had been spent on the plans and some money had been spent to implement some of those plans.

On the 25th day of June 1962, the head of that country said, "We do not want those 29 projects, we want the cold cash." The AID people worked like beavers and on the 30th day of June, the last day of the fiscal year, they deobligated those 29 projects that had been designed to help the people of that nation and that \$5 million plus earmarked for those 29 projects was reobligated in the form of a cash grant to that country. The money was deposited to the credit of that country in a bank in New York City, and as late as September of this year, and I am sure as late as of today, not a dime of that money has been withdrawn. That money has been earning 3½ percent to the credit of that country that was the recipient of aid.

So do not feel that we have hurt this program by cutting it. As our chairman has repeatedly said, we are trying to get this program under the control of the Congress. It is generally understood that whatever money we give the AID people is a blank check. They can spend it for any purpose they desire. They can obligate for one project today, deobligate tonight, and reobligate tomorrow. This program is uncontrolled and uncontrollable, as the gentleman from Louisiana has said many times.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from Louisiana.

Mr. PASSMAN. On some of those 29 projects over 50 percent of the money allocated had been spent. It was the residue of those 29 projects, that had been well planned. We yielded to the pressure and gave them the money, and it was unjustified money.

Mr. ANDREWS of Alabama. Yes, and that money is still in a New York bank drawing 3½ percent interest to the credit of that country, and the taxpayers of America are paying from 3 to 4 percent interest on that money today.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Mexico [Mr. MONTROYA].

(Mr. MONTROYA asked and was given permission to revise and extend his remarks.)

Mr. MONTROYA. Mr. Chairman, I remember a truism from my youth. It was that if something is worth doing, it is worth doing well.

I think of this maxim frequently in connection with the Alliance for Progress.

There can be no argument, I believe, over the premise that the preservation of Latin America, within the framework of

political liberty and personal dignity, is worth maintaining. There can be no argument on that point that the rescue of millions of human beings—now and in the future—from the degrading bonds of poverty and misery—is a valid exercise. There can be no argument as to the desire of millions of Latin Americans to break those bonds, and the desire of millions of our own people to keep them.

The Alliance for Progress, I am convinced, seeks exactly these things. I am convinced that there is no alternative to it. Whatever other course of action may be contemplated, it will have to travel the same road as the Alliance.

Yet I detect today too much defeatism about the Alliance. I hear too much talk against the Alliance. I read too much that says it cannot succeed if this is not done, or that is not done, or this is being done wrong, or that is not being done right, or that too much money is being spent for too little progress.

Mr. Speaker, gentlemen, I suspect that too many of us approach the Alliance for Progress as a cutrate proposition. We may be trying to get wholesale, a change that can come only in generations.

Let us look at the Alliance, its basic principles, its problems, its achievements, its future—let us look at the Alliance realistically—let us see if it is worth doing and, if so, doing well.

President Johnson, I think, touched upon the essence of the Alliance in his speech to the Latin American leaders at the White House on November 26. There, as you know, he reaffirmed the U.S. commitment to the Alliance.

The four basic principles of the Alliance, the President said, are:

The right of every American nation to govern itself, free from outside dictation or coercion from any quarter.

The right to human freedom—the right of each person to freely speak his views.

The right to social justice—the right of every citizen to share in the progress of the nation; and, dedication to economic progress.

"We all know," the President said, "that there have been problems within the Alliance. But the accomplishments of the past 3 years have proven the soundness of our principles."

These are the principles. There can be no argument with them.

But what of the problems?

The chief problem of the Alliance, I feel, is that when it came there was over-optimism on what it could accomplish. Now, there is an overpessimism on what it has not accomplished.

The optimism, I am sure, came both here and in Latin America. There, for 15 years, the Latin American nations had been seeking a greater U.S. participation in their efforts for social and economic development. For too many of these 15 years, we answered the call with words rather than actions.

When we decided to act, inevitably there was a reaction of relief and of optimism. The power of the United States was known and respected. If the United States would work with Latin America, Latin America's problems were as good as solved.

Every cautionary word or phrase—and many were spoken, by John F. Kennedy, and others—was disregarded in the heady intoxication of a bold new policy.

This headiness came to us as well. We were accustomed to viewing Latin America only as a problem. We, too, were seeking to find a policy which would cause Latin Americans once more to regard us as good neighbors.

The Alliance for Progress was that policy, and we shared the delight of our neighbors.

Over 2 years have passed since the noble words of our fallen President were transformed into a definitive plan of action at Punta del Este. Over 2 years have passed, while we and the Latin Americans sought, with one hand, to shore up the effects of past neglect, and with the other, to build new institutions and new structures. The task is terribly difficult.

As we who come in January, and are still here in December know well, early enthusiasm vanishes rapidly. The success of a day is dreary against the goal of 10 years. There is a let down, sometimes greater because hopes have been higher than day-to-day reality can bear.

This, Mr. Chairman, is what has happened to the Alliance for Progress. It is not, and never was, a panacea. It is not, and never could be, a placebo. It was, and is, an intelligent and studied diagnosis of Latin America's diverse ailments. It was, and is, a prescription demanding great effort and discipline by the patient, and substantial external care, over an extended period of time.

We are just realizing this, and because the patient is only bending his knees, when we and he want to run, we and he are critical of the medication. Yet "you have to walk before you can run," because young things crawl before they walk or run.

But let us regard another maxim: "Help comes to those that help themselves." And, this, precisely, has been another of the problems of the Alliance.

Because the United States was so strongly identified with the Alliance—because it marked a long-sought turn in our policy—because it was to be marked by massive U.S. assistance, there was too much of a tendency in Latin America to sit back and wait to be aided—by the United States:

All of our assistance, Mr. Chairman, however much it might be, would be a mere palliative unless it would be matched with effort—new effort—from Latin America. All of our assistance would be wasted unless it resulted—really—in new and more appropriate institutions in Latin America, in change and in reform. We cannot afford to spend a billion dollars a year to maintain a status quo that is based on the past. We must have more modern men in more modern societies.

I say this not because I feel that the Alliance has not produced change. It has, and it will produce more. But I want to see more. I particularly want to see more done—in Latin America—toward recognizing the achievements and the potential of a free enterprise system such as that we have here in the United States.

Notice my last phrase. There is free enterprise in Latin America—and because it is the type of enterprise that it is—high cost, monopolistic, exploitative—it is disliked. It has not produced low cost goods for the hungry masses—but tantalized them with things they cannot afford. It has not sought wide markets—but restricted production. Too frequently, it has not interested itself in the cares and preoccupations of its workers. The record of free enterprise in Latin America—when compared with free enterprise in the United States—is poor.

So the people of Latin America have looked to the state rather than to free enterprise—they have been abetted in this by the sycophants of the left. The state has been left to do too many things that it should not. This may be changing.

One of the least noticed, and certainly one of the most critical achievements of the Alliance for Progress, I feel, has been the reconsideration which it is forcing of the role of the public versus the private economic sector. The planning which has come under the Alliance has indicated—to all but the most indoctrinated of Latin American economists—that the state cannot do all—that modern private enterprise must provide a tremendous share of the cost of development. A new cycle in Latin America may be beginning.

But the theory is not going to prosper, so long as we have acts which are hostile to the climate of investment. We are not going to encourage foreign—or domestic—businessmen to invest their hardwon capital, their complex skills, their astute knowledge of markets, in countries where contracts are canceled, agreements are broken, crippling restrictions are placed on them, and inflation is uncontrolled and unchecked. The light must come quickly to the Argentinas, the Perus and the Brazils.

And when this light does come—as it has already to many of the nations which are partners in the Alliance—we must be ready to move, and move swiftly. I can think of no surer way to demonstrate the validity of the Alliance's principles than to provide massive help for those who help themselves massively.

Such a policy, I know, has been followed to a considerable extent by the gentlemen in AID. I commend it to them. I recommend the push ahead with it. I will even point out some possibilities for them.

The second annual review meeting of the Alliance for Progress, as you know, was held last month in São Paulo, Brazil. For this meeting, the experts at the Organization of American States prepared an accounting of the Alliance in 1962.

They found, gentlemen, that 10 nations—10 of the 19 Latin American nations which are participating in the Alliance—had met or surpassed the contemplated 2.5 percent growth rate in 1962. With an exception or two, these are the countries which have been doing most for themselves.

Let us, then, take 8 or 9 or 10 countries. Let us see what they can do with more concentrated assistance. Let us accelerate—the speed of their develop-

ment. They should receive the greater share of the resources which we allocate for Latin America.

Let there be no mistake; however, we shall be the sole determiners of what nation should receive such concentrated assistance. Never should there be a time when the United States is not the sole administrator of her foreign assistance. Surely, no other nation or people have a right to distribute the good will of the American people.

It is Americans who make foreign aid and assistance possible and it is Americans who should see to its proper use. The only way to assure such useful implementation is to have the power and hold the power of denial and approval of such aid. That is paramount to our own interest.

Just to answer those who insinuate that the Alliance has failed, I also would like to point out other conclusions of the ministers who met at São Paulo. Their final report notes that:

Export earnings are rising.

The process of economic integration is advancing.

A significant increase in public investment—financed with new money raised by new taxes and tax reforms—is possible in the foreseeable future.

Substantial additional local resources are being devoted to education, public health, and housing.

Ten nations have now land reform laws, a sharp increase in number in only 2 years.

Serious efforts are being made to improve public administration. Latin American nations are moving. It demonstrates that the supporting investments which the United States is making are being used with good effect. It records that the process of change in Latin America is underway.

It proves that the Alliance for Progress is worth doing, and worth doing well.

In considering the resources we should make available to Latin America, I would like to point out that Communist Cuba, a country of some 7 million people, is presently receiving an estimated million dollars a day, and I note from the New York Times of December 12 that Cuba is sending a mission to the Soviet bloc to press for an even greater amount of economic assistance.

At the same time, Cuba is carrying on an intensive subversive campaign against our friends in Latin America. The increasing evidence in Venezuela and elsewhere is now convincing the Latin Americans that Castro's Cuba is as much the enemy of their countries as it is the enemy of the United States, and they are increasingly becoming aware of the fact that through the Alliance for Progress they can best defend themselves against the onslaught from the Marxist left.

Mr. Chairman, I would like to conclude with another truism from my youth: Easy things get done first, because everybody can do them. Hard things get left to the last.

The achievement of the goals of the Alliance for Progress, Mr. Chairman, is not an easy thing. It is an incredibly complicated and complex program, which can be put through only after surmounting the tremendous obstacles of ignor-

ance, sloth, and misunderstanding. It must surmount crises of commission and omission, of action and inaction. It will not progress either as swiftly as we like or as surely as we would like. But of this much, I am certain, it will progress—swiftly if we continue adequate help, surely if we continue our understanding.

If the Alliance for Progress were easy to accomplish, Mr. Chairman, it would have come before—it would have been done before. It is a thing which only one nation in this world could help accomplish. We are that Nation.

So we must try, harder, with ever-increasing skill, and with the unswerving dedication that President Kennedy showed in the past 2½ years.

I ask only that you look at the evidence. I defy anyone to cite a single example of a successful Communist revolution in Latin America since the Alliance for Progress began. Yes, there have been revolutions and violent overthrow of governments. We do not condone such action—it has never been our policy to do so and hopefully will never be. Nevertheless, those revolutions which have occurred have been of an anti-Communist nature. In most instances the revolutionary governments have assured this Nation and their own people of democratic reform and free elections. Is this not the aim of the Alliance for Progress? I say, it is and I say it is accomplishing that aim.

The Alliance for Progress, Mr. Chairman, will succeed because it must succeed. Thank you.

Mr. RHODES of Arizona. Mr. Chairman, I yield myself the balance of the time.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I would like to commend to the reading of every Member of the House the report on this bill. In my 11 years in the House of Representatives this is the best committee report I have ever seen. I wish to commend the chairman of the subcommittee and the staff for this fine piece of work. If anybody wants to understand what this program is about he can do so by reading this report.

Every year I take the well of the House in order to tell you my concept of foreign aid and to tell you what I think of the bill which we have before us in that particular year. My concept of foreign aid has not changed. I think foreign aid, if it is any good at all, has to be good for the American taxpayer. It is not charity. It is an adjunct to foreign policy. It is not charity, because charity is something which is voluntary, and I do not need to tell any of you there is nothing voluntary about paying taxes.

Mr. Chairman, you are dealing with taxpayers' money in this program. It is very fine for us to have a big heart and we should. It is fine for us to think of the ills of the people around the world, and we should. But let us also remember the fact that when we do this we are dealing with the money of the taxpayers of the United States of America. Americans

are charitable, but let them handle their own charity. You and I weren't elected to do it.

I have said that foreign aid is an adjunct to foreign policy. It is and it should be. However, too many times in the past we have found that instead of it being an adjunct to foreign policy it has become a substitute for foreign policy. This is wrong. This is a trap into which we should never fall, because you do not buy friends around the world. Rather, you get them by being the type of nation that people can respect. You get respect by being the type of nation which says what it means, means what it says, and lives up to its commitments.

The chairman has said, and the gentleman from Alabama also has said, that this program is uncontrolled and uncontrollable. They are right. It is uncontrolled and it is uncontrollable. Before I elaborate on that I would like to say that I have all of the respect in the world for the fine Members of the House who serve on the Committee on Foreign Affairs and anything I say is not to be taken as a criticism of them or of their work. However, I would like to state here and now, Mr. Chairman, that we have too many times in the past—and we are doing it again this year—tried to make some sense out of a legislative program with an appropriation bill. What we should do and must do some year is to start to make sense out of this program in the authorization bill. This is a program, Mr. Chairman, in which we do not appropriate money by nation; we do not appropriate by project.

This is an illustrative program. We have people from the AID agency come before the committee and tell us what they think they will do with the money which we are asked to appropriate. They can transfer from one category to another within certain limits. They can later decide that the project which they have justified to us will not be built at all but that some other project will be built. They can say that they are going to build a project in X country and build it in Y country.

Why do not we appropriate by nation? Because we have a concept, right or wrong—and I happen to think it is wrong—that if we appropriated by country we might make country A mad, because it does not get as much as country B. I think it is time that we faced up to the realities and let the nations of the world know what we are doing. They know anyway. We might not know up here on Capitol Hill what we are doing but they know in Moscow, usually before we do. I do not know whom we think we are kidding with all this secrecy about which nation is getting which amount.

So one of my first recommendations would be that this program be changed so that we appropriate by nation. Then, we should appropriate by project. I think if we did this we would find our situation greatly improved. We would have a foreign aid program which would work, and which would win us the respect of the world.

It has been mentioned that we are in 101 countries with foreign aid. And we are. With that type of proliferation it

is not possible for us to do the type of job in any one country which the taxpayers expect us to do. It is not at all possible for us even to take a few countries and make show places out of them. Instead of that we put a little here and a little there. Why do we do this? The people downtown tell us we need a "presence" in many of these nations. This is apparently to promote the knowledge on the part of the people of the country that there is such a country as the United States of America. Of course, I say this is dead wrong. If we need to do this by money, then heaven help us. If this great Nation which we firmly believe is the greatest nation in the world must try to impress newly created nations around the world by the use of money, then I suggest to you that we have taken the wrong tack and that this is the wrong approach completely. We had for years been able to do this by giving fair and just treatment to all, and demanding the same treatment in return. Is it old-fashioned to feel that this is still the best diplomacy?

Another reason why this program is uncontrolled and uncontrollable is because there are little nooks and crannies in it that do not meet the eye. There is a section called section 614(a). Let me tell you about section 614(a). It provides in substance that any administration can spend \$250 million of dollars or \$100 million of local currency in any given fiscal year for any purpose that it desires, as long as it is within the general purposes of the act.

This section has been construed as applying not only to acts which have been passed but to acts which may be enacted in the future. In other words, if the Congress of the United States were to put a limitation on the foreign aid bill which would prohibit the President and the administration from spending funds in certain ways, they could still go to section 614(a) and spend \$250 million in dollars or \$100 million in local currency for the very purpose which we prohibited. As I have said, this law has been construed, as not only being a retrospective, but a prospective whitewash. It erases limitations which we might put on the authorization bill, limitations which we might put on an appropriation bill before we ever pass them.

This is the greatest legislative gimmick ever known to man and why we keep on year after year reenacting the authorization bill and leaving section 614(a) in it, I will never understand.

Also, we have another contingency fund which few people know anything about.

I should say in all fairness that the Secretary of Defense has said he would not use that contingency fund, and he has not used it. Nevertheless, it is in the act, and available. That fund is in the amount of \$300 million. The Department of Defense can transfer equipment of that value, if it so desires, from the stocks of the Department of Defense over to the military assistance program to be used for the purposes for which this bill is enacted.

So, Mr. Chairman, here is another little gimmick, another little nook or cranny, which can be used to sweeten up this program.

Then, of course, there is the item of transferability. They can transfer from one category to another. We have said that we are appropriating \$197 million to the category of development grants. If it is desired to sweeten that up at the expense of some other program, it can be done, up to an amount of 15 percent thereof. This is another reason why the chairman says that this program is uncontrolled and uncontrollable, and I say so also. Frankly, it is just that.

Mr. Chairman, there are so many nooks and crannies, so many ways by which the Congress has voted to defeat its own intent that this bill is a legislative monstrosity if I ever saw one.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I shall be glad to yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to ask a question about the proposed reduction in appropriations for international organizations and programs. We have had some legislative history about which of these programs should not be cut by the proposed reduction in the amount of the authorization. This is a relatively concentrated area; we are talking about relatively few programs.

The chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], has indicated that the contingency fund, perhaps, would cover some expenses, if extra money were needed. Is it proposed, for example, that we should cut the funds to provide assistance to the Palestine refugees, the FOA, the World Food Organization? We only know, from what has been said so far, that UNICEF should not be cut.

Which of these programs should be cut, in the opinion of the gentleman? Was there any determination made by the Committee on Appropriations with respect to this? I might say that the authorizing committee looked into this situation fairly closely. The only place I can see where there could be a moderate cut would be in the Indus water project.

Mr. RHODES of Arizona. I shall yield to the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], to answer that question.

Mr. PASSMAN. Let me answer it, if I may, by saying to the gentleman, who is a member of the Committee on Foreign Affairs, that the Agency came in and asked that the funds be cut by approximately \$9 million. So, the amount that the Agency is asking for, the full amount is \$127 million and not \$136 million. Our committee believed that \$88 million would be adequate, but we decided, nevertheless, to go up to \$100 million. We did not take into account the fact that they had \$134 million on hand in undisbursed funds on June 30. It is left up to the Agency to determine where the cuts will be applied, with the exception of UNICEF.

If the gentleman will look at the hearings of the State, Justice, and Commerce Subcommittee of the Committee on Ap-

propriations, he will find that \$57 million is included for the United Nations under our contributions, and another account of \$14 million, another account of \$18,374,000. They are scattered all over the field.

Mr. RHODES of Arizona. The total amount for international organizations in the State Department bill is \$81 million. I think this would be the category which is parallel to the one to which the gentleman from New Jersey referred.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield further?

Mr. RHODES of Arizona. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I am sorry, but I do not understand either gentleman's explanation. I wish time would permit some opportunity for an understanding of what the gentlemen are talking about. What is this figure of \$81 million about which we are suddenly hearing? What is this figure that the gentleman from Louisiana mentioned of \$134 million?

Mr. RHODES of Arizona. As the gentleman knows, there are appropriations for the international organizations in the appropriation bill for the Department of State, as well as in the foreign aid bill.

Mr. FRELINGHUYSEN. Will the gentleman yield further?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. FRELINGHUYSEN. But nothing being asked for here is appropriated in any other bill. That is my understanding.

Mr. RHODES of Arizona. That is correct.

Mr. FRELINGHUYSEN. So, the fact that there are other funds to supply other needs of the State Department is entirely irrelevant to what we are talking about here.

Mr. RHODES of Arizona. I do not think it is irrelevant, but I agree with the gentleman that it may not be precisely in point. Generally, I think it is.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield to me?

Mr. RHODES of Arizona. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Yes; you have in here other programs than you are referring to, such as the World Health Organization, the World Food Organization, and other international organizations. Certainly there is money in this bill for the same item.

Mr. FRELINGHUYSEN. For the same agency, but not for the same business. The gentleman indicated that there was complete ignorance on the part of the Committee on Foreign Affairs as to what is going on and what has been requested by these agencies. This is not so. Nor does the fact agencies agree to reductions in their original requests is not saying that they agree to a reduction to \$100 million. This is what the Appropriation Committee, in effect, is claiming.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Your intent is simply to use the rifle rather than the

buckshot treatment on these recommendations?

Mr. RHODES of Arizona. Yes.

Mr. DON H. CLAUSEN. The Marshall plan, designed to help Western Europe to get on its feet after World War II, was remarkably successful, and many people assumed that massive economic aid of this type was the key to developing a strong economy anywhere. They forgot that Western Europe was already highly industrialized, with a skilled labor force. The problems of a country such as Laos, Latin America, and Africa are utterly different. Economic aid to such countries should be tailored to their needs, emphasizing aid that will help them help themselves. The fact that the Soviet Union has cut its foreign aid program in half indicates that the Russians, too, have been disillusioned by massive aid as a costly and ineffective way of waging the cold war in undeveloped countries.

Specifically, I urge a five-point revision of the foreign aid program:

First. More emphasis on technical and military assistance where needed, rather than financial aid. We must provide weapons for such countries as India and South Vietnam, which are engaged in a "hot" war with the Communists, but we cannot at the same time carry the burden of ineffective general economic aid.

Second. More emphasis on loans rather than grants. In cases where economic aid is justified, it is likely to be better used if the country realizes that this money is going to have to be paid back.

Third. A general cutback in the overall foreign aid program, which would force the administrators of the program to commit funds to only the most urgent projects.

Fourth. An immediate end to aid to Communist-bloc countries, such as Yugoslavia. If there was any justification originally, it should be clear now that it no longer exists. We should call an immediate halt to throwing good money after the close to \$3 billion already lost aiding this Communist dictatorship.

Fifth. Insistence upon more equitable participation by our allies in the common effort to fight communism.

I want to compliment the members of this appropriations subcommittee. They have followed the direction of the Congress in cutting back on unnecessary funds and presented a bill that more clearly reflects the needs. The initial administration request was \$4.9 billion, the Clay Committee recommended \$4.5, the House authorized \$3 to \$5 and today we are voting on \$2.8 billion appropriation. A cutback of nearly \$2.1 billion certainly is deserving of recognition by the American taxpayer. This type of effort has my full support.

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that the appropriations in the State Department appropriation bill are for the United Nations assessments? The appropriations

in this bill are for voluntary contributions to United Nations agencies.

Mr. RHODES of Arizona. That is correct. I think "voluntary" perhaps should be in quotes, because the amount which is to be appropriated for this year is pretty well agreed upon by negotiation between our Government and the international body.

Mr. GARY. But it is voluntary. We are under no compulsion. Under the other we are under agreement to appropriate.

Mr. RHODES of Arizona. The gentleman is precisely correct.

Mr. PASSMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. FLYNT].

(Mr. FLYNT asked and was given permission to revise and extend his remarks.)

Mr. FLYNT. Mr. Chairman, H.R. 9499, the bill making appropriations for foreign aid and related agencies, comes to the House after more than 4 months of considered hearings by the Subcommittee on Foreign Operations of the Committee on Appropriations.

As a new member of this subcommittee, I commend the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN] and the ranking minority member, the gentleman from Arizona [Mr. RHODES] for the diligent manner in which they have worked to bring this bill to the floor of the House and for the outstanding manner in which each of them has presented this bill today.

Mr. Chairman, this bill is by no means perfect. I know of very few perfect pieces of legislation. I do say it is the best bill that this subcommittee can bring to the House of Representatives.

As a Member of the House who has for many years voted against authorizations and appropriations for foreign aid, I intend to vote for this bill if it is not substantially amended. I plan to vote for it because I believe it is the best bill of its kind that has ever been brought to the House of Representatives. I believe it serves notice on the Agency for International Development that the Congress intends to oversee the expenditure of these funds and to demand the elimination of waste, extravagance, and duplication. I believe that an affirmative vote by me on this bill is a vote of confidence in the President and his announced intention to reduce expenditures and to eliminate waste as nearly as he can.

Some have criticized the action of the subcommittee and of the full Committee on Appropriations for the cuts which have been made from last year's appropriation bill and from the budget requests presented to the Congress this year.

The responsibility for setting the amount in this bill is vested in the Congress and, Mr. Chairman, I believe we can justify the amount in the bill far better than we could justify either the amount requested in the budget or set in the authorization act.

Mr. Chairman, it should be recalled that the Congress cannot permit this agency or any other agency of Government, to determine what cuts shall be

made and what cuts shall not be made from the budget request. This the committee has conscientiously sought to do.

This is the best bill it has been possible to bring forth, and I commend it to the favorable consideration of the House without substantial amendments.

Mr. ALGER. Mr. Chairman, I want to commend the chairman of the subcommittee, Mr. PASSMAN, and the members of the subcommittee and to compliment them for the report accompanying the bill. I share their concern and want to thank them for their thorough study of our foreign aid.

The criticisms leveled against our foreign aid programs are reason enough for disapproval of any further aid at this time. Some of these criticisms include:

First. The money, some \$7.6 billion, already on hand unspent in the pipeline without voting more.

Second. The aid going to 29 countries that have sustained illegal government overthrow.

Third. The less than necessary type programs that are proliferating throughout the 100 nations we are aiding.

Fourth. Aid to those countries which are Communist or are trading with those who are Communist.

Fifth. The lack of guidelines that should specify what projects in what countries.

Sixth. The \$6.8 billion of our gold purchased since 1957 when our gold level has dropped \$7 billion.

Seventh. The imbalance of payments.

Eighth. The questionable tied-procurement policy which has become a subsidy to U.S. industry, giving reason for foreign giveaways.

These are but some of the arguments against foreign aid as it has become in practice.

However, for my part, I will not agree to borrow money to give it away, to commit future taxpayers to pay the bills which we refuse to pay today. So I must oppose the bill, even though the total has been substantially reduced.

Mr. PELLY. Mr. Chairman, at long last there is some hope that loan repayments and interest collections in the Development Loan Fund and Alliance for Progress revolving funds will come under control of the Congress.

Authority to reloan these repayments without reappropriation has existed, and when the foreign aid authorization bill was considered by the House earlier this year, I introduced an amendment so as to provide that these funds would revert to the U.S. Treasury. However, this amendment failed to pass, especially, I think because the Speaker of the House took the floor to oppose it. The vote was very close.

Later when the authorization bill was considered by the Senate, amendments were adopted to bring these two revolving funds under the annual appropriation procedure. Unfortunately, however, these amendments were stricken from the bill in conference. This occurred because the executive branch wanted to continue its authority to operate this program without normal congressional scrutiny. The administration wants a free hand.

In this bill, Mr. Chairman, provision to correct this situation are included, and the Committee on Appropriations has followed my suggestion and placed language in this bill to prevent spending these revolving funds unless first specified in appropriation acts. In other words, the limitation would preclude exercising back-door spending authority and assure an appropriation.

My purpose in rising, Mr. Chairman, is to express my hope that these provisions will be retained in the bill and thereby another blow against back-door spending will prevail.

The Congress must regain and retain control over all expenditures of the taxpayers money.

Mr. LANGEN. Mr. Chairman, at the outset, permit me a brief moment to compliment the chairman and each of the members of the subcommittee that have brought this bill before us today. The evidence of the diligence and dedication with which they have worked on this subject during the course of this year is amply demonstrated in the excellent committee report that accompanies the bill. The report sets forth facts and figures which should have been conveyed to this House and the public long ago.

I find it difficult to understand how anyone who may have read the committee report on this bill can possibly support any attempts to increase the appropriations. This report actually reads like a best-selling mystery novel. I might suggest a title of "Programs, Projects, and Pilfering." It has mystery that will baffle anyone's comprehension.

The report specifically identifies in practically all categories of the various aid programs covered by this appropriation gross mismanagement, poor administration, a complete lack of proper accounting, estimates that in some cases are in error as much as 300 percent, funds transferred from one project to another, and from one country to the other, projects that have been turned down by some countries, other countries that do not even want to be identified with the programs, moneys that have been obligated in the last hours of the fiscal year just to get them spent, as well as many other discrepancies far too numerous to mention in this short discussion.

We see identified funds that have been obligated and deobligated, funds that have been authorized and deauthorized, funds that have been expended and unexpended, in amounts that are staggering even to anyone's imagination.

I am sure it is of prime concern to all of us that there is aid in one form or another to more than 100 countries out of the 112 countries in the world. It defies anyone's judgment to believe that this Nation is going to be able to sustain the economies of 100 countries throughout the world, when we are experiencing great difficulty in even sustaining our own economy, in view of budget deficits and a continuously mounting national indebtedness.

Every day we hear references to losses in our gold supply and problems with the balance of payments. This is surely not to be wondered at when we note on pages

5 and 6 of the report that since 1958 and up to June 30 of 1963, a period of 5½ years, 52 foreign Nations have purchased \$6,823 million plus of our gold, while during that same period, to these same Nations we provided foreign aid in the amount of \$11,947 million plus, thereby providing their economy with sufficient moneys with which to deplete our gold supply.

Of equal noteworthy discrepancy is the fact so specifically revealed that other European countries are in a position to be more concerned about supplying aid than we are, only to find that they are contributing only a minor amount by comparison and in most instances, where loans are involved, commanding higher interest rates and shorter periods for repayment.

It is also true that the response of other nations to supplement our help in improving their economy and well-being has not been forthcoming in anywhere near their capacity to do so. I note in one country, for instance, where our aid funds amounted to more than \$10 apiece for every person in the country. This amount, in turn, is more than twice what each person in that country pays in income taxes. If we are to entertain the hope that one day the economies in these nations are to improve, then it necessarily follows that they themselves must be at least equally responsive to their needs as we have been responsive by actual contributions.

There are endless examples of the extent to which these programs have not served the best interests of either our own Nation or free people throughout the world, but probably of equal importance in the decision that this House must make today is the fact that we are considering this bill on the 16th day of December, providing moneys for a program that actually began last July 1, so Congress must surely accept its failure to respond in directing this program at the proper time. It is difficult for any department to proceed in compliance with a direction that it has not received. This experience should serve as a reminder that in future consideration and future years, we ought to make sure that authorizations are provided sufficiently early so that appropriations could be made and the proper direction given at the beginning of the fiscal year.

The Appropriations Subcommittee, as well as the full committee, have patiently waited for these many months in order to be authorized to make the proper determination as to the moneys needed. I am well aware of the need of this Nation to supply leadership, assistance, and aid to the depressed areas and countries of the world, but to do so with any kind of effectiveness or any hope to achieve the desired objective, it becomes essential that at least we display our concern and direction of policy at the time when it is needed, and not supply it as an afterthought, which is actually the case with this bill today.

There are those who feel that we are not now sufficiently accomplishing this purpose. To improve that situation cannot be done with a mere appropriation of more money. The proper action would

be one of a more properly directed and administered program. There seems to be no way that this can be accomplished other than for Congress to regain control of these expenditures by demanding a full and proper accounting of what has been done, to begin with, and further, to demand ample justification for all future expenditures.

In light of these facts and many more, the biggest contribution that this House can make today to the future improvement of our own stature throughout the world would be to make sure that we have registered effectively and convincingly our desire that all of our aid programs should better serve the best economic interests of our own Nation, as well as those receiving the various aids.

Mr. O'HARA of Michigan. Mr. Chairman, as one who believes strongly in the time-tested principles of mutual security and in the objectives of our foreign assistance program, I am very distressed with the apparent indifference many have shown and are showing toward the program we are considering today.

It may be a cliché, but I believe it has been conclusively demonstrated that our foreign aid program is one of the most important weapons in the defense of the free world against Communist subversion and expansion. Who can say how the world would look today if it had not been for America's assistance to its friends abroad in the years since World War II.

If American foreign aid was instrumental in rebuilding Western Europe after the most devastating war in history, is it any less important today to those countries which are just now emerging into the 20th century? I cannot believe, Mr. Chairman, that the Congress fails to recognize the need for continuing to help those who need our help today just as Western Europe did in years gone by.

We all know there have been instances of waste and mismanagement in our aid program. This is unfortunate, but I believe we have made great strides in reducing waste. I believe too that our aid is dispensed much more selectively now than it was a few years ago. Past mistakes in a program as venturesome and imaginative as this one certainly are a poor excuse for deep, indiscriminate cuts in the funds necessary to sustain this vital, but beleaguered, foreign policy effort.

If cuts are needed, I believe we should approach them responsibly—with a scalpel, not with an ax. Let us reduce our expenditures where reductions are needed; but let us not tie the hands of our President and the men charged with the responsibility for decision making in foreign policy. Let us permit them the flexibility they need to meet changing conditions in a rapidly changing world.

President Johnson has warned that "the drastic reduction in foreign aid funds proposed in the House, if sustained, would be a severe setback to American leadership and to U.S. interests in many parts of the world."

Mr. Chairman, I hope the House will not sustain the recommendation of the Committee on Appropriations. I hope we will, instead, give our President what he

needs to enable this Nation to meet its international commitments.

I do not believe the Congress is prepared, for example, to admit that our investment in all of Latin America should be less than the Soviet Union is pumping into Cuba. Our President put it very well when he said:

This is no way to combat communism in Latin America.

I hope all my colleagues have had the opportunity to read President Johnson's statement. I thoroughly concur with that statement.

Since the tragic events of November 22, 1963, and the days following, I believe the Congress has acted very responsibly in helping President Johnson fulfill his pledge of continuity without confusion. Now I think it is imperative for us to reverse the deep cuts recommended by the Committee on Appropriations to give our President the tools he needs to continue the foreign policies of his three predecessors—the late President Kennedy, President Eisenhower, and President Truman.

If the recommended cut is sustained, if we should vote to put our foreign policy in a "straitjacket," I hope the opponents of foreign aid will understand if this Nation should find itself unable to act with imagination and dispatch to meet changing conditions which may develop almost overnight. I hope they will not be critical of President Johnson and his administration if our friends abroad begin to turn elsewhere—to the Sino-Soviet bloc—for the assistance they need to help themselves.

It is, I think, ironic that those who have most consistently opposed our foreign aid program are the first to despair when our foreign policy shows any signs of faltering—when we are unable to cope fully and successfully with the many challenges facing America and the free world. They demand a strong foreign policy, but they balk when it comes time to pay for it.

Like President Johnson, I cannot "believe that the Congress intends to require the United States of America to follow policies of weakness and retreat." Let us, instead, vote for a policy of strength and advance. Let us give the President what he has asked—"the funds essential to conduct strong and forward-looking foreign assistance programs in the U.S. national interest."

Mr. ROGERS of Florida. Mr. Chairman, there is reason to congratulate the House Appropriations Subcommittee which has reported to us this reduced foreign aid bill today. The previous action of this body in providing an additional authorization of over \$3.5 billion was cause for alarm. Today's bill reflects substantial reductions in additional appropriations over that which was requested, and the amendment adopted by way of the motion to recommit restricts use of loan authority to guarantee Russian debts on a wheat deal contrary to the wishes of the Congress.

At the same time, no matter what is said of it, this bill provides an additional appropriation for foreign aid when we

already have on hand and unspent in the fund over \$7 billion.

So while this bill may be a reduction over that requested, it is certainly not a reduction in foreign aid—it is an additional appropriation.

No nation in the history of the world has given of its own resources to less fortunate people as has the United States since adoption of the Marshall plan following World War II. But with so much to be done here at home, with the highest tax rate in our history and the highest national debt, it is long past time we look to a complete overhaul of the foreign aid program. We could accomplish this by refusing to appropriate any additional funds for 1 year, while we take another look at its results and its failures. This would not bring halt to the program, as funds already on hand would carry it at present levels for over 2 years without any additional money being appropriated.

I voted for the motion to recommit in order to restrict use of the loan guarantee to support the sale of wheat to Russia. I voted against the bill on final passage for the reasons stated above. Those who say they are for a cut in foreign aid had only one choice today. That was to vote against the entire additional appropriation.

Mr. DERWINSKI. Mr. Chairman, the editorial "Foreign Aid Is Slashed Again" which I include as part of my remarks, is most timely and directs our attention to the true monetary facts of life, and certainly hits the nail on the head.

I am most hopeful that our action will reflect the basic logic of this editorial rather than the propaganda and double-talk of the State Department and the administration.

The editorial follows:

FOREIGN AID IS SLASHED AGAIN

Congress had barely settled upon a sharply curtailed \$3.6 billion foreign aid authorization bill when the ax fell again.

On Saturday the House Appropriations Committee, acting on the appropriation bill which must follow the authorization, lopped off another \$800 million, bringing the total down to \$2.8 billion—the lowest figure since 1957 and more than \$2 billion below the late President Kennedy's original request. Cuts were made in many areas, but chiefly—and properly so—in economic aid.

The committee action came swiftly on the heels of a subcommittee report recommending \$3 billion, and was even more drastic. The measure now goes to the floor of the House, where approval is expected. The Senate, judging from precedent, is likely to be more softhearted.

Representative PASSMAN, of Louisiana, the Democrat who is chairman of the subcommittee, turned down a last minute plea from President Johnson for the maximum appropriation permitted by the authorization bill, namely \$3.6 billion. For years, Mr. PASSMAN has protested the waste and futility of much of our foreign aid, largely in vain. Now that Congress finally seems to be emerging from its hypnotic spell and coming around to his way of thinking, Mr. PASSMAN has no intention of giving in. Summoned to a night conference at the White House, he told the President that he believed \$3 billion was more than adequate and that he could not surrender his convictions.

Mr. Johnson's position is much less tenable. The country needs a sound fiscal policy and he has set about building himself up

as the man who can provide it. He has called upon department heads to cut expenses wherever possible. The people recognize foreign aid as a gigantic boondoggle which has proved to be worth nowhere near the \$100 billion and more that it has cost. Previous cuts in foreign aid have been made without any of the calamitous results which, we were warned, would result from them. The failures of foreign aid have been for lack of policy, not for lack of money.

Let Mr. Johnson appeal for a more generous appropriation, if he wants. But in these circumstances, not even a politician of his skill can go very far in urging unnecessary spending without exposing himself as a hypocrite. We applaud Mr. PASSMAN's perseverance. His course is the right one, and should be the winning one.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

International organizations and programs: For expenses authorized by section 302, \$100,000,000.

AMENDMENT OFFERED BY MR. FRASER

Mr. FRASER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRASER: On page 2, line 19, strike out "\$100,000,000" and insert instead "\$130,903,000".

Mr. FRASER. Mr. Chairman, it is with some hesitation that I rise to offer an amendment to a bill which I know the chairman of the subcommittee has spent many hours considering. Along with many other Members of the House I enjoyed and appreciated his presentation this afternoon.

The problem, however, Mr. Chairman, as I have reviewed the report of this subcommittee is that I have found that for the first time within my memory the amount of money that is appropriated for the United Nations organization and programs, the amount of money that is provided for the Children's Fund, for the Palestine Refugee Fund, for the Special Fund and the expanded Technical Assistance Fund, for the Indus Waters Funds, and these many other funds that have enjoyed support from this Congress and the President for many years, has been drastically, and I repeat, drastically cut.

So I looked at the committee report and I got a copy of the report last Saturday from the Appropriations Committee, to find out what there was about this request of \$136 million, a request, by the way, which went through the House Foreign Affairs Committee unchanged, a request that survived the floor of this House unchanged, a request that survived the Senate committee unchanged, and survived the Senate itself unchanged, this figure of \$136 million that was asked and that was authorized by this Congress, to see where this \$36 million was to be cut from, what program it was that was so poorly administered.

Mr. PASSMAN. Is the gentleman asking me a question?

Mr. FRASER. If the gentleman will defer his question, I am just explaining how I come to be offering this amendment.

So I read the committee report, but it really did not tell me much. It did not

tell me whether it was to come from the Children's Fund, it did not tell me whether we were going to renege on our commitment of a matching 40 percent for the Technical Assistance Fund, it did not tell me it was to wipe out the Palestine Refugee Fund. In short, the committee report did not tell us where the \$36 million was to come out of these many programs.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. The report on page 15 does indicate that the committee feels we should renege on our obligations in connection with the 40 percent that we are presently contributing to these voluntary programs. The language to which I refer is:

This substantial and increasing financial effort by the United States on a bilateral basis in the technical assistance field does not appear to warrant an increasing dollar contribution to the U.N. technical assistance program.

The committee seems to believe that we should repudiate what admittedly is an increasing dollar load even though this obligation was accepted by us as a reasonable share.

Mr. FRASER. The gentleman is correct when he talks about the language of the report. However, I could not believe the chairman of the subcommittee was saying we should renege on our commitment, a commitment of long standing that was not new in 1963 or 1964 but has existed ever since we got to the 40-percent level on the funds—since 1959.

Mr. FRELINGHUYSEN. I would hope that would be the conclusion that the gentleman from Louisiana would reach. However, the same sentence from which I was reading concludes as follows:

The committee suggests that every effort should be made to reduce our percentage contribution to this program.

What could be a more effective way to reduce our contribution than not to give enough funds to make it possible to continue it? This is not a very praiseworthy way of achieving an objective even though some may feel we should try to reach it. I do not think we should simply renege, as the gentleman puts it, on our voluntary agreement to contribute.

Mr. FRASER. I may say to the distinguished gentleman from New Jersey that one of the reasons I did not believe the chairman wanted us to renege was that last year he did not cut a dime off the authorization. Last year the administration asked for \$148 million. Last year we authorized \$148 million. Last year the chairman of the subcommittee and the subcommittee recommended \$148 million based on precisely the same commitments that we have for fiscal year 1964. So I was not willing to believe the chairman did want us to renege on these commitments.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

As I mentioned in the general debate, in previous years we have overfunded a lot of the smaller accounts. I might

state to the gentleman that the amount of money on hand unexpended as of June 30 amounted to \$134 million and the gentleman's amendment calls for more money than the agency requested. The agency, subsequent to the time of presenting its case to the Committee on Foreign Affairs, came to the Committee on Appropriations and said, in effect, "We asked for \$8,960,000 more than we need." They volunteered to reduce the request to \$127 million.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. Will my colleague let me finish, if I may.

I might say also that a purpose of the President's contingency fund is that in the event one of these programs should accidentally be cut lower than it should be—and there is no record, however, that this has been done—the President can transfer out of the contingency account. For the contingency fund, we actually are allowing \$17 million more than was originally requested. They did not ask originally for unobligated funds to be reappropriated.

I do not want to get into an argument about the U.N., but I can say that, in our opinion, the only amount of money that we believe should be earmarked as such would be for UNICEF—\$12 million. Beyond that they have the right to allocate the funds where they see fit. But I can assure you, the gentleman's amendment is in excess of what the agency asked for; and I repeat, if it should get into trouble, and I do not think it will, then of course money could be transferred from the contingency fund to meet the needs.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that the committee struck from the bill a proviso which limited the President to the transfer of a \$10 million to this item?

Mr. PASSMAN. That is correct.

Mr. GARY. And we struck out that limitation altogether.

Mr. PASSMAN. Yes, we took out the limitation. The President, if he wanted to, could go up to the full amount of the authorization. I can assure the gentleman that some members of the committee felt that \$88 million would be completely adequate to care for this program but, by compromise, we went on up to \$100 million.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. FRASER. Is it not a fact that although the \$127 million-figure was contained in the letter submitted by the Department of State that, subsequently, they indicated they need \$130 million? If the gentleman does not know about it, I can give you a copy of the statement.

Mr. PASSMAN. They asked for \$136 million. It was reduced to \$127 million. Now they are back to \$130 million.

I think \$88 million would be an adequate figure, but we recommended \$100 million.

Mr. FRASER. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. Yes. I yield to the gentleman.

Mr. FRASER. I wonder if the gentleman will tell us which of these funds you want to cut back on. You told us you do not want to cut back on the World Health Organization.

Mr. PASSMAN. I was discussing the Children's Fund. We are leaving it up to the agency to allocate the other \$88 million. There is "fat" in this appropriation category.

Mr. FRASER. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. Yes. I yield.

Mr. FRASER. Will the gentleman tell me where the "fat" is in one of these projects? I have been trying to find out for 2 days.

Mr. PASSMAN. There is "fat" in most of them, if not actually all of them.

Mr. SNYDER. Speaking of "fat," is it not true that the World Health Organization is the one that sent two boatloads of Jeeps down to Cuba?

Mr. PASSMAN. I think that is so. I ask for a vote.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Minnesota asks where the fat is in this particular item in the bill. I would say to him that as far as I am concerned, almost all of it is all fat. And with respect to UNICEF, I hope some history is made here with respect to that particular fund; that is, that those administering the money do not turn around and finance the United Nations as they did a few years ago with a \$10 million loan. If they have \$10 million to loan for the operating expenses of the United Nations, then they have \$10 million too much. There is no reason why UNICEF should be in that kind of lending business.

Mr. Chairman, over the weekend President Johnson is reported to have condemned the House Committee on Appropriations for cutting the foreign handout program, calling it a "severe setback to American leadership—that would put our foreign policy in a straitjacket."

What the Committee on Appropriations is doing, and commendably, is to put a brake on American checkbook foreign policy. It is about time President Johnson and all the rest of the free-wheeling foreign spending crowd realize that they have been putting American taxpayers in a steadily tightening straitjacket for altogether too many years.

President Johnson says the House appropriation bill would mean less U.S. spending for all of Latin America than the Soviet Union is putting into Cuba alone. How does he know what the Russians are actually putting into Cuba? Does he include missiles and troops? Where are his figures and what do they represent? If, without onsite inspection, he knows what has happened and what is happening in Cuba, he has an obligation to tell Congress, for no one else has provided a clear and accurate picture since the Bay of Pigs fiasco.

And speaking of the Alliance for Progress, why should the United States

continue to spend a single dollar on any one of those five Latin American countries that have refused to break off relations with Cuba? Take Brazil as an illustration, one of the countries that refused to break off relations with Cuba.

We committed to Brazil earlier this year \$398.5 million and we made an immediate commitment to that country some \$80 million. Why did they have to have \$80 million immediately. Among other things, to meet their short-term obligations, many of those obligations being to the Communist bloc. In other words, they were using U.S. taxpayers' money to meet their obligations to the Communists.

Before my time runs out, and speaking of the American taxpayers, I want to call attention to an example of what is happening in this country. I understand that on December 4 the Erie Railroad announced it was unable to meet its New Jersey property tax bill of \$4.5 million because of financial difficulties and refusal of the Interstate Commerce Commission to approve a Government guarantee of a \$5 million loan to this same Erie Railroad.

But the World Bank, to which the United States is the largest single contributor, using funds fleeced from Iowa, New Jersey, and all other American taxpayers, ladled out, with the greatest of ease, \$35 million to Yugoslavia to modernize that Communist country's railroads. And 2 or 3 years ago, if memory serves me correctly, Yugoslavia bought U.S.-financed diesel locomotives in Europe, not in the United States. Although we financed the purchase of those locomotives, they were obtained in Europe, not in the United States where our industry and labor could get at least some of the benefit.

I would not care to be a Representative from the State of New Jersey, which is going to lose substantial property tax revenue because one of its industries cannot get from the Government equal treatment given to foreigners, and vote for this cockeyed bill.

It would be impossible for me, if I were a New Jerseyite, to go home and tell my people I voted for a program that poured \$35 million into Communist Yugoslavia to modernize their railroads when a similar industry in my State could not get help to negotiate a \$5 million loan for the same purpose.

Mr. Chairman, I am opposed to this amendment and I am opposed to the bill for I agree with the opening statement of the distinguished gentleman from Louisiana [Mr. PASSMAN], who brought this bill to the floor, that it is still too fat at \$2.8 billion. As a cold, hard fact, this foreign giveaway program must be reduced to a few hundred million dollars a year if this Nation is to be saved from bankruptcy. The waste in this program is intolerable and it is hopeful that the American people are at last coming to realize that \$120 billion of their tax dollars have, for the most part, been frittered away.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE, as a substitute for the amendment offered by Mr. FRASER: Strike out "\$130,903,000" and insert instead "\$120,000,000."

Mr. CONTE. Mr. Chairman, what this amendment does it to cut down the figure in the amendment offered by the gentleman from Minnesota, to \$120 million. In other words, it restores \$20 million to the United Nations fund.

Mr. Chairman, a great deal has been said here today by the Chairman in regard to the unexpended funds of the international program. I would like to point out to the House, based on his figures—as of June 30, 1963—there was unobligated \$336,227. That is as of June 30 of this year. Maybe by this time none of these funds are left that were unobligated back on June 30. But even so, Mr. Chairman, the amount that was unobligated as of June 30 was merely \$336,000.

Mr. Chairman, I rise in order to express my strong support of the U.S. voluntary contributions to 10 international organizations and programs.

In attempting to amend this international organization fund by restoring \$20 million out of \$36 million cut from this necessary and important program, I am hoping to find some solution to the serious effects a drastic cut would have on our foreign assistance program.

By restoring this amount of money, the Congress could help salvage the damage that would accrue through the needless and unnecessary slashing of a program that has untold benefits around the world.

According to Harlan Cleveland, Assistant Secretary of State for International Organizational Affairs, voluntary contributions fall into four major categories: In order—

First. They help finance the major agencies of the United Nations for channeling resources from the industrially developed members to the newly developing members, the U.N. expanded program of technical assistance, the U.N. special fund, and the U.N. children's fund.

Second. Voluntary contributions for the special case of the U.N. Relief and Works Agency for Palestine refugees.

Third. Voluntary contributions to programs of the specialized agencies, and other multilateral organizations temporarily financed outside of their regular budgets, such as the NATO science program, malaria eradication, community water supply, and medical research in the World Health Organization, and technical assistance operations of the International Atomic Energy Agency.

Fourth. Voluntary payments which have helped to finance extraordinary expenses of major peacekeeping operations under U.N. auspices.

We must also consider that the appropriation request for this year was approximately \$18 million less than the amount appropriated for fiscal year 1963. And when an agency comes before the Appropriations Foreign Aid Subcommittee with a good sizable reduction, I think that the organization deserves a great deal of praise.

A serious cut in this program at this time will seriously jeopardize our entire foreign policy structure.

We cannot afford the terrible consequences that will come if these essential programs are cut.

It will appear as though the United States is not willing to join the world fight against disease, poverty, and deprivation.

In the following areas, particularly, the program will suffer:

EFFECT OF REDUCTION IN FUNDS REQUIRED FOR VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A \$30 million cut in the budget for U.S. voluntary contributions to international organizations amounts to a reduction of about 22 percent. The spread of such a cut among these contributions would require very serious consideration of the political and economic problems involved before it could be determined in detail. In general, however, such a cut would have to be applied among all the programs, with the following consequence:

First. A reduction in the U.S. contribution to the U.N. expanded technical assistance program and the Special Fund would mean an appreciable cutback in the technical assistance projects of these programs which are helping in the economic development of the less-developed countries. There are now over 2,000 experts in less-developed countries financed by these two programs; the United States contributes 40 percent of the total cost. A substantial reduction in the U.S. contribution will mean a substantial cutback in the assistance which can be provided.

Second. In the case of the U.N. program of economic assistance to the Congo, a decrease in the U.S. contribution can only mean seriously cutting the program, the purpose of which is to stabilize the economic situation in the Congo as the U.N. military operation is being phased out. Without such stabilization, the impact of the military operation can be seriously negated.

Third. A decrease in the U.S. contributions to UNICEF will inevitably be reflected in a reduction in the worldwide program of assistance to less-developed countries in maternal and child health which UNICEF has been furnishing so successfully over the years.

Fourth. The estimate for U.S. contributions for U.N. peacekeeping operations in the Congo and Middle East is for voluntary contributions to these two peacekeeping operations. If funds are not available, it will not be possible for the United States to do its share in meeting the costs of the operation on the basis of the resolutions passed by the General Assembly.

Fifth. A 22-percent reduction in the U.S. contribution to the U.N. program for Palestine refugees, where the United States provides up to 70 percent of the cost, would mean a serious reduction in refugee relief, where the rations and relief are already down to a minimal subsistence cost of \$28 per refugee per year or 8 cents per day. The impact of this effort on countries where the refugees

are located could lead to violent political reaction.

Sixth. The effect of the proposed reduction on the Indus Waters project would mean the United States would not be able to live up to its commitment to meet the scheduled callup of contributions to the World Bank under the Indus Fund agreement. A consequent delay in project execution could mean a delay in the closely scheduled water withdrawal rate by India or the payment of heavy indemnities by Pakistan with resultant increase in friction between these two countries.

Mr. Chairman, as I said earlier in my speech on the main bill itself, tomorrow President Johnson goes to the United Nations with his message. Let us permit President Johnson to go to the United Nations with the necessary amount of funds to carry out these voluntary programs.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Kentucky.

Mr. CHELF. I, too, am against this amendment, I want to say to the gentleman from Louisiana.

Please permit me to say that back in 1947 under the name of the Marshall plan, many of us who were here at that time were told that our allies were broke and hungry and down and out and needed help; that we must save them from communism. Out of the goodness of the hearts of the American people, we voted to help our old allies and friends, to put a smile on their faces and a song in their hearts, so to speak. We voted to give them food for their mouths, to put clothes on their backs, a roof over their heads and money in their pockets so that they could hold their heads high, and thereby be in a better frame of mind and position to come back spiritually, morally, physically and economically. This they have done. They are in better financial condition than the United States.

Now, Mr. Chairman, 17 years later and with \$110 billion less today than we had then in the Treasury of the United States, with 102 of the 110 recognized nations of the world today drawing or receiving aid from us—we are still at this "handout" program. We simply cannot keep this program up. It is absolutely impossible. We do not have the funds. Our allies were honest back in those war days. They were broke, they knew it, they asked for help and we gladly gave them assistance. However, the situation is now in reverse, we are broke, do not know it, will not admit it, do not care, and are spending money like a "loose ninny" out on a drunken binge.

Mr. PASSMAN. I thank the gentleman.

Mr. CHELF. Mr. Chairman, that is what caused me to say the other day in the debate on the authorization of the foreign aid bill that we were appropriating and spending money which we have not got on people we do not know,

trying to impress others who hated our guts.

If all of the nations of the world who hold our I O U's would suddenly line up at our Treasury for payment, we not only could not pay, but what is even worse—we would not have enough gold to back our American dollar. No businessman in his right mind would do what our Government is doing.

Mr. PASSMAN. I thank the gentleman.

Mr. Chairman, I have endeavored to stay out of some of the weak points of this program, but in self defense—that is, to defend the committee—I think I should bring to the attention of the Members of the House at least two or three items. One of them is the World Health Organization program, about which we have heard a good part of the argument. I want to say to that out of \$100 million in this bill, only \$500,000 is in here for the World Health Organization, trying to make up the total requirement in order to go down and pick up \$500 million for economic aid to the Congo. And, the Congo is getting aid out of about 15 other spigots.

In connection with this waterways project that you have heard so much about, there is \$13 million in the bill for this project.

For the united technical aid program, the bill has \$55 million. They are dipping also out of other aid accounts. Sometimes there are maybe five different agencies on one project. Several years ago they were getting into fist-fights as to who would do the program.

The bill has \$55 million for technical aid; it has \$5 million for the Congo, and for WHO, which is where they get funds for Cuba, there is an amount in the bill.

Mr. Chairman, I ask that the pending amendment be defeated.

Mr. JOELSON. Mr. Chairman, I rise in support of the pending amendment.

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. JOELSON. Mr. Chairman, I am not anxious to be known as a Member of the Congress who in Christmas of 1963 decided to gang up on the United Nations, which is the best device that has been created for peace on earth and good will toward men. I am not anxious to be one of the august body who made his contribution to society by ganging up on sick and hungry kids throughout the world in the name of false economy.

I have listened to eulogies on our late President, John F. Kennedy. I heard about his patience, his courage, his vision. I feel I have been left a heritage by this man, and a responsibility. I do not shrink from this challenge. Whether it is good or bad politics, I support the U.N. and anything that will strengthen the U.N. and the depressed peoples of this earth.

Mr. REID of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, tomorrow President Johnson is scheduled to address the United Nations. I think a serious cut in the amount to international organizations and programs would not be the best

point of departure for the President's first major U.N. address.

I would like today to speak briefly with regard to two amounts that could be affected by this cut. The first is the United Nations Emergency Force—\$1.18 million; the second is the United Nations Relief Works Agency for Palestine refugees in the amount of \$17.2 million. United Nations Emergency Force, in my judgment, is important to keeping peace in the Near East. This 5,300 member multinational U.N. force is essential to keeping down incidents on the Israel-United Arab Republic border, and a substantial cut in United Nations Emergency Force funds could be adverse with reference to peace and trigger hostilities on a sensitive border.

The second amount relates to United Nations Relief Works Agency. This amount, I repeat, is \$17.2 million. It involves 1.2 million refugees and 882,000 who are drawing rations and health services from United Nations Relief Works Agency. The 22-percent cut, if applied, would affect men and women presently receiving minimal rations and relief at the rate of 8 cents per day, or \$28 per year. That would bring it down to 6 cents per day.

Further, we have been making progress in our diplomacy in shifting from relief services to vocational and educational programs; toward a solution of the refugee question. Above all, Mr. Chairman, the United States is still engaged in trying to seek and build peace in the Near East, and anything that would disturb seriously the refugee question or that could lead to increased incidents in the area would be a clear disservice to peace. I have talked recently with our ambassadors in the area. I believe they would state were they here on the floor today that any serious cut in these funds could drastically hamper their efforts toward building a peace and keeping the uncertain peace in the area.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to compliment my colleague from New York. I agree with him completely on what he has said. It is a most important point. The gentleman from Massachusetts [Mr. CONNEL] also is to be complimented on his amendment, which will add \$20 million to the U.N. and its agencies. I intend to vote for it. The United Nations and its constituent agencies are deserving of support. And in order to support the legislative history being made here with respect to UNICEF, UNRWA and UNEF. I want to say that each of these operations is worthy of support. The U.S. contributions as authorized by the authorizing committees of the Senate and House are not by any means out of proportion to the needs and the danger in not attending to those needs. The United Nations Emergency Force in the Middle East, for example, has successfully kept that explosive area in a state of relative peace. Were it not for UNEF and UNRWA I fear for the worst.

(Mr. LINDSAY asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield.

Mr. PASSMAN. The matter the gentleman has been talking about is a supplemental item to title II of this bill. It normally would go to Mr. ROONEY's committee. It is \$18,374,000, and we recommend every dime of it.

Mr. REID of New York. The gentleman believes that neither the funds of UNEF nor UNRWA would be touched, even though he does not believe in a line-item cut?

Mr. PASSMAN. The legislative history would not justify that action.

Mr. REID of New York. I thank the gentleman, but I also rise in support of the Conte substitute because I deeply believe any cut in UNICEF or UNRWA or UNEF would be a disservice to the cause of peace.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know of any international organization that is not in arrears in its contribution to in this polyglot outfit known as the United Nations? Does he know of any foreign government that is fully paid up?

Mr. REID of New York. Having served in the area I am concerned with anything that would affect these two peace-keeping organizations. In my judgment, both psychologically and practically any apparent cut in these two would be inflammatory, irresponsible, and would not serve the cause of peace.

Mr. RHODES or Arizona. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, lest anyone feel that we are being less than generous with these international organizations, let me refer you to page 14. The U.N. Technical and Special Fund is in for \$55 million; U.N. economic assistance to the Congo for \$5 million; U.N. Relief and Works Agency for Palestine Refugees, \$17,200,000. And so it goes. The Indus Waters is in for some \$30 million.

We have been asked where you might possibly suggest that some cuts be made. The chairman has given the right answer when he said that this should be left to the agency. But just let me bring to your attention this fact. There is no one whose heart goes out to the homeless people any more than does mine. There is no one I know of who would like any more than I would to see the Palestine refugee situation in the Near East cleared up as soon as possible. Yet the facts are these. We have more refugees now than we did back when the refugee program first came into being after the formation of the State of Israel. The people are not leaving the refugee camps. They are not being resettled. Year after year after year we have this appropriation to take care of the Palestine refu-

gees, and it will increase, not diminish. I suggest to you that as long as the United States of America is willing to pick up the tab for this one item, just that long we are going to have a refugee problem. But if the United States of America says, as I happen to think it soon must do, that this is mainly the problem of the Middle East, a problem that the nations involved must help to settle, then and only then will the refugee problem begin to be settled.

I certainly do not want to do anything to cripple the United Nations. If I thought we were, I would not be up here speaking as I am and opposing this amendment. But I suggest to you, we are not doing that. I suggest to you, we instead we are telling these other nations of the world that have a responsibility for the U.N. just as much as we have, that the time has come for them to pick up their share of this tab. The time has come for the United Nations to start making more sense than it is right now in certain areas of the world, including the Middle East. The time has come, in other words, when the people of the United States must realize that our American economy and our American taxpayers have gone just about as far as they can go in this effort.

Mr. Chairman, this is not a meat-ax cut but it certainly is at least an amber light—and maybe not a red light but an amber light, as a warning to those who think Uncle Sam is still “Uncle Sucker.”

Mr. Chairman, I ask that this amendment be voted down.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. PASSMAN. Should we not state that under item No. 1, United Nations Technical Aid and Special Fund, in the amount of \$55 million, there could be money in this appropriation for projects in Cuba and that we were never able to pin down just what amount would go into Cuba?

Mr. RHODES of Arizona. Not only Cuba but I think any other Communist nation that is a member of the United Nations.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. MAILLIARD. I think the gentleman is persuasive in his arguments that there are some parts of the program where, perhaps, an amber light should be turned on. But I would like to remind the gentleman, here we are halfway through the fiscal year appropriating money, which had we done as we should have done and handled this matter some months ago—that would be one thing. But our representatives at the United Nations, of which I have been one, were led to believe, and with some reason, that there would be no sharp change of policy. The authorization bill did not, although it cut many things, did not make any substantial cut here. And there is a very serious question, whether it makes any sense whatsoever to send the President of the United States tomorrow to make his first appearance at

the U.N. with pledges that have been made and, I may say they have been made subject to our constitutional process, having been partially repudiated today by the House. This would be a most unwise thing to do.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. PASSMAN. The agency came in in September, many months after the start of this fiscal year and said, in effect, “We now discover we asked for too much money and that puts it back to \$127 million.” Remember also that the President's contingency fund is available in the unlikely event that more money should be needed for this fund. I hope the amendment will be voted down.

Mr. RHODES of Arizona. I feel that the President of the United States will be able to go to the United Nations with his head held high as head of the Nation which has and does give the most generous and consistent support to the United Nations. I hope he will say to the delegates assembled, “We support the United Nations, we hope you will do as well.”

Mr. ICHORD. Mr. Chairman, I move to strike out the last word.

(Mr. ICHORD. asked and was given permission to revise and extend his remarks.)

Mr. ICHORD. Mr. Chairman and members of the Committee, I rise in opposition to the substitute amendment and to the original amendment. I think the supporters of the amendments have become unduly alarmed by the scare headlines and the dire predictions of utter collapse of our foreign policy every time the Committee on Appropriations effects reductions in the foreign aid bill.

I point out to the Members of the House that the bill still carries \$2.8 billion which is no small sum of money. The gentleman from New Jersey mentioned the Christmas season. When he did so, I did a little hurried calculation about how much \$2.8 billion is.

I find from my mathematics—and I think they are correct—if we started spending \$3,000 a day 1,963 years ago, at the birth of Christ, and spent \$3,000 each day until Wednesday of next week, we would still have to spend \$3,000 every day for 599 more years before we spent \$2.8 billion. This bill will require the Executive to spend at the rate of \$7,671,235 a day every day next year in order to spend the \$2.8 billion. I cannot possibly vote for any amendment spending an additional \$20 or \$30 million of money which we do not have in the U.S. Treasury.

(Mr. HALEY (at the request of Mr. MATTHEWS) was given permission to extend his remarks at this point in the RECORD.)

Mr. HALEY. Mr. Chairman, as I rise to voice my annual strong protest against our continued program of lavish hand-outs to virtually all of the nations of the free world—and to some who are not even of the free world—I am happy to know that my protest this year will fall on noticeably less deaf ears.

There is a changed atmosphere in this Congress, which apparently has at last

waked up to the fact that the American people—the people whose Representatives we are—are sick and tired of this wastefully operated, shoddily managed, visionary, and frequently pointless program that we call foreign aid.

That the Congress is awake—awake at long last, because the evidence of widespread public discontent has for some years been plain to all who would look and listen—is obvious in our own actions this year. We have lowered sharply the authorization for foreign spending in this fiscal year, by a billion and a third dollars under the original budget request. And as significant as the cut itself, perhaps more significant, are the unprecedentedly narrow margins by which this House and the other body approved the authorization bill. Similarly significant of congressional awakening has been the insistence that restrictions be applied to foreign aid operations—and that before we again are faced with this annual problem, the managers of the program come up with something different in the way of concept and method of operation.

But despite the positive indication that the Congress has awakened to public clamor against this program, we still are faced—as we debate this bill to appropriate another \$2.8 billion for foreign aid—with the wails of anguish from the diehard spenders. These diehards, keeping up the pretense that any dollars pared from the foreign aid program would be disastrous to the free world cause, pleadingly insist that the old grab bag must be kept full of Uncle Sam's dollars so that anybody who wants a few million dollars can be accommodated.

These visionary spenders, for reasons obscure to me, do not seem able to realize—even in the face of our 18 years of fruitless effort to buy friendship by dishing out more than \$100 billion—that money does not do the job. If we are to continue our leadership of the free world, and if we are to lead it to success in the constant battle against communistic encroachment, we need a firm and dynamic foreign policy—not a continuation of dollar diplomacy in which our major policy weapon is a checkbook and the fiction that we have an inexhaustible bank account.

Those in the administration who are responsible for this program must look back to its beginnings—when, as the Marshall plan, it was aimed at the rebuilding of war-ravaged nations, nations whose peoples had had for centuries a background of stable government and recognized patterns of social order and culture.

Remembering that, those in the administration responsible should stop their efforts to make the Congress, and the people, believe this current program has anything to do with the Marshall plan. Instead—if they sincerely believe there is good reason for the taxpayers of the United States to finance the emergence of no one knows how many “emergent nations,” they should formulate a program of know-how and initiative, and come before us to justify its approval. Most of the new recipients of foreign aid

have no background for stable government—nor stable economy, either.

Thus, these nations cannot emerge with American dollars alone. They must learn to help themselves—and the only type of program which we can provide which will be of help to them—if indeed there is any prospect of really helping them—must be geared to the philosophy that we will help only those who help themselves, or to put it in homely fashion—"them that eat, must work."

I know that we are not going to defeat this bill today. But I hope we will not add a penny to the amount recommended by the distinguished gentleman from Louisiana [Mr. PASSMAN] and the hard-working members of his subcommittee. And I would pray that the other body would, for once, see fit not to increase an appropriation voted by this House.

Meanwhile, may I say that I hope the taxpayer, the general public, will become more clamorous in its demands that we wrap this program up as soon as possible. But I would warn them: Their outrage must be heard by more than the Congress. The people must, somehow, awaken the labor unions and the manufacturers' associations to the fact that foreign aid is not just a program for exporting taxpayers' dollars. It also is—as any textile worker—whether in labor or management—can tell you—a program for exporting the workman's job and for exporting the manufacturer's know-how so that it can be used in foreign lands to create competition, destroying not only this country's foreign markets, but domestic industry's home markets as well.

(Mr. ABERNETHY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ABERNETHY. Mr. Chairman, the subcommittee is to be commended for taking the initiative and the full committee for sustaining it, in cutting the foreign aid appropriation to \$2.8 billion. I hope that this is the beginning of the phasing out of all foreign aid. If it is the beginning of the end of the foreign aid program, it is an historical turning point in U.S. foreign affairs. It marks the beginning of a new era that will produce new thinking, new foreign policies, and a new initiative for the United States in world affairs.

For nearly 20 years foreign aid has been used like a narcotic. We have replied to every challenge from abroad with a shot of foreign aid. When nations supported us, we rewarded them with a shot of foreign aid. When nations opposed us, we tried to soften them up with a shot of foreign aid. When they remained neutral, playing us off against our enemies, we lavished foreign aid upon them.

During these years we counted it a failure if a nation did not take our foreign aid. For example, when the Russians achieved the dubious honor of financing the Aswan Dam project by Egypt, it was generally considered a grave "set-back" by our foreign policy pundits. Our Secretary of State was taken to task for this "failure." But now, in retrospect, it is clear that we did

not lose a thing and I do not think the American taxpayers have any regrets.

More recently, many State Department officials seemed baffled and horrified when a tiny Southeast Asian nation announced that it would accept no more of our foreign aid. Our foreign policy experts were stumped. Foreign aid had become such a sedative to our foreign policy brains that they were completely at a loss when a country refused it.

Mr. Chairman, we have spent about \$120 billions in foreign aid and some say that "it is only money" and that no amount is too much to pay for world peace. This is clever speech but phony reasoning.

There is no evidence that foreign aid as such has made any substantial contribution to world peace. To the contrary, the Korean war broke out when foreign aid was at a peak of intensity.

Peace today is maintained as it always has been, by military power. Perhaps Gibbon expressed it best in his "Decline and Fall of the Roman Empire." Of the Roman Empire, he said, "They preserved peace by a constant preparation for war."

Our recent history bears this out for the Korean war occurred when our military power was at its lowest point between 1941 and today.

As to the amount of foreign aid, too often we forget that the dollar figure is just a means of measuring. We should not say \$120 billion. We should say \$120 billion worth of American natural resources and productivity.

Natural resources cannot be replaced except by time and nature. The African and South American Continents are far richer in natural resources than the United States. When ours are exhausted will they send us theirs? I would not count on it.

Mr. Chairman, again I commend the committee for cutting foreign aid. Their action may precipitate some new and fresh thinking on U.S. foreign policy.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time in part because the gentleman from Louisiana has repeatedly suggested that the contingency fund can be used as a source of funds if more money is needed to meet our obligations to various international agencies. Yet the committee report on page 19 indicates that the Committee on Appropriations was concerned at the use which has been made of these contingency funds. The statement is made there, that the contingency fund:

Is to provide a source of funds for the President to meet unforeseen emergencies in the world which are important to the national interest.

The needs of these international agencies are not unforeseen emergencies, and presumably the contingency fund would not be available even if the President should desire to use it.

The gentleman from Arizona has indicated clearly that, in his opinion at least, the Palestinian refugees should have their funds cut back. I would sug-

gest to the committee that this would be a very unwise way of showing that we feel other countries should share the financial load which we have carried for so long. It seems extremely shortsighted for us to argue that we are just simply going to starve certain programs to death, worthwhile as they may be, in order to show other countries that they should be meeting their responsibilities. Should this be done, we would have to reduce the daily allotment of 8 cents a day to support these Palestine refugees to 6 cents a day. This seems to me the most shocking kind of shortsightedness. I would urge that we increase the amounts recommended by the Committee on Appropriations so that we may discharge our obligations to these agencies.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I tried to protect this item as much as I could without exposing some of its hypocrisies and weaknesses. May I say to the gentleman that with regard to this Indus River project there is a \$1 billion item for which there should not have been a dime. This is the Indus River waterway for India and Pakistan, which will cost over \$1 billion. Would the gentleman agree that the Indus waterway, a \$1 billion project, should have been reduced to \$30 million this year?

Mr. FRELINGHUYSEN. On the contrary, I would certainly say that the amount requested by the administration should stand, unless the gentleman from Louisiana or anyone else on his committee could show us why not. If the gentleman from Louisiana is objecting to the \$130 million because the Indus River project is too big, I would say his argument comes too late. He has failed to concentrate on any one area, and I say this is another reason why we should go slow in cutting these funds back. He suggested perhaps \$88 million was enough. He suggested there was plenty of fat in these programs. If we had time, we could argue these points.

The point is made, as it is, with very limited debate, and we have not opportunity even to sense the significance of the recommendations. Insofar as we can find out what the committee's reasoning is, I for one, am not impressed. I would strongly urge that we do not, in this respect at least, abide by the recommendation of the committee.

The gentleman from Iowa just now suggested that anyone from New Jersey should vote against the foreign aid bill because a New Jersey railroad failed to get assistance and yet money was made available through some international agency, not the Congress of the United States, to provide aid to a railroad in Yugoslavia.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I will not yield until I finish my statement.

The gentleman from Iowa and I both serve on the House Committee on Foreign Affairs. I hope he knows me well enough to know that I try not to be

parochial about such matters. We should not kill a good program because we happen to be disappointed at not getting some kind of relatively minor assistance for a particular agency or activity in our own State. I certainly would never consider voting against a program of this substance on such grounds.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. PASSMAN. Does the gentleman know of any program in the entire foreign aid bill during the past 17 years that the Congress ever reduced in amount below its need?

Mr. FRELINGHUYSEN. Mr. Chairman, I think we may be about to do just that right now. The answer is that of course I do.

Mr. PASSMAN. The argument the gentleman is putting up we hear every year, the same argument. I still say that this bill is fat. The purpose of the contingency fund is to take care of contingencies if they should arise. This item is eligible for assistance from the contingency fund, if such a need develops.

Mr. FRELINGHUYSEN. We have an emergency, as an example, in the Congo. Yet the gentleman simply dismisses this program. In this area it is apparently being proposed that we should cut back even more than has been contemplated. This also may be very unwise.

Mr. GILL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to concur in the remarks made by the gentleman from New Jersey [Mr. FRELINGHUYSEN], the gentleman from Massachusetts [Mr. CONTE], and the gentleman from Minnesota [Mr. FRASER]. First, may I say that I should hate to see my new President go before the United Nations tomorrow with his coattails figuratively cut off by the committee action on this particular item.

Second, may I say that if we make this cut we are damaging our argument that other nations should help with our foreign aid burden, that they should help carry the burden of foreign aid because this is a contributory aid program in which many other countries participate.

(Mr. GILL asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. FRASER. Mr. Chairman, I object.

Mr. PASSMAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. O'HARA] for three-quarters of a minute.

Mr. O'HARA of Michigan. Mr. Chairman, we are not going to settle the differences of opinion which have been expressed here in three-quarters of a minute, or even in three-quarters of a day. But I want to quote the President's statement of yesterday on this subject. He said:

The amount proposed for contributions to international organizations would mean that the United States could not keep its commitments and pledges.

Mr. Chairman, in light of the differences expressed here and the inability of this House to resolve them, I choose to stick with President Johnson and his predecessors and to help him make good on our international commitments.

The CHAIRMAN. The chair recognizes the gentlewoman from New York [Mrs. KELLY] for three-quarters of a minute.

Mrs. KELLY. Mr. Chairman, I urge the members of this committee to support the amendment of the gentleman from Minnesota.

I also want to say that as one of the Members at the United Nations this year, and in view of the pledges that have been made, I urge that we give our support to the United Nations.

Mr. Chairman, since there are so many outstanding members on this committee, I feel that proper consideration will be given to our views, and I am sure that they will help us by supporting the United Nations with adequate funds in order to carry out its operations.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MAILLIARD] for three-quarters of a minute.

Mr. MAILLIARD. Mr. Chairman, I agree that we are not going to settle any basic differences of opinion here in three-quarters of a minute. However, I wish to join my colleague, the gentlewoman from New York [Mrs. KELLY], in her expressions. She and I have been for several months at the U.N. I think it is perfectly clear to me at any rate—and I think she would agree with me—that of all the places in this bill where there is less room to maneuver without vitally affecting our basic position in the U.N., it seems to me this is it. Actually, while the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], has told us that there are things wrong with various parts of the program, the gentleman has not suggested where it be cut.

Mr. Chairman, we do have commitments that we will be unable to meet if we do not restore a part of this money.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA] for three-quarters of a minute.

Mr. O'HARA of Illinois. Mr. Chairman, I happily devote my three-quarters of a minute to Israel. I am deeply concerned over the possibility that the reduction in the committee's bill might result in a fatal diminution of our aid to the refugees. Our distinguished colleague from New York [Mr. REID] who won universal acclaim as our Ambassador to Israel during the Eisenhower administration, has raised this question with forceful logic and convincing valid-

ity. I support his position. This is not the time to beat retreat from the good works of the United Nations in building a world of understanding, of brotherhood, and of peace.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. HALL].

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, I rise in opposition to both of these amendments and to commend the subcommittee and gentleman from Louisiana for bringing out the reduction in the appropriation for international organizations and programs. The House will recall that early this year I rose on roughly a dozen occasions under the 1-minute rule and extended my remarks to include exhaustive research on the voluntary programs of the U.N. Mr. Hoffman and Mr. Stevenson both agreed that there was no audit to these funds possible in the U.N. and no control by us, once they were volunteered. They further corrected errors in their brochures and statements concerning them after we had pointed them out. It was during these reports to the House that I first brought out the so-called "Agricultural Aid to Cuba" and the World Health Organization shipments of trucks to Cuba, to say nothing of the atomic reactor in Yugoslavia and the radioactive isotopes in Poland, and so forth.

My original thesis was a question of legality of the U.N.'s so-called voluntary funds being greater than the 32.02 percent authorized by the Congress, and I pointed out that the State Department counsel avoided this on the basis that voluntary funds in the U.N. are different from the U.N.'s projected annual budget, and misconstrued the intent of Congress. The Clay Committee subsequently confirmed my statement. Mr. Chairman, I properly appeared before the Foreign Affairs Committee and subsequently before this House at the time of the Foreign Aid Authorization passage, and offered an amendment to limit the U.S. contribution to the voluntary funds of the U.N., and it failed this House by less than six votes. I am, therefore, delighted that the Subcommittee on Appropriations is nailing this down at this time.

In connection with the UNICEF funds and funds for the Gaza strip, the gentleman from Louisiana has spoken well and, indeed, pointed it out on page 14 of the committee report under title of "Summary of Proposed Fiscal Year 1964 Contributions," that these programs are not damaged. I would only add that I am tired of solicitations for UNICEF in the United States as a voluntary agency while we underwrite it in the U.N. and with taxpayers' money from the United States. Personally, and as first pointed out by Senator Sam Houston of Texas, I feel there is a constitutional question as to whether we representatives of the people can properly vote one dime of the taxpayers' money for any charity. On top of this UNICEF turns around and loans money to the U.N. programed budget because of its overcollections, yet we hear the "bleeding hearts of projected

need" argue tensely that we are against little children, instead of U.S. bankruptcy.

Especially the U.N. technical assistance program and special funds are fat as stated by our colleague, the gentleman from Louisiana [Mr. PASSMAN]. After my study I can tell you where they are fat. One of the best examples was in a separate statement I made on this floor exemplifying the one incident where the U.N. helped the United States with a project; namely, the Chinese blue helmeted U.N. "expert" who was retained at a fabulous price—plus expense—to research Arkansas rice paddies toward growing fish therein while raising cereal and thus became the penetrating piscatorial paddy expert.

Mr. Chairman, I call for the defeat of these amendments toward excessive expenditures.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RYAN] for three-quarters of a minute.

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Chairman, I am somewhat shocked by the words that have been spoken this afternoon, words which indicate a willingness on the part of this House not only to dishonor our international commitments, but to scuttle the United Nations.

Mr. Chairman, there is nothing more precious to peace and to the hope of all of us for a world of security and a world at peace than the United Nations. Stability in the Middle East should be a principal objective of our foreign policy. The slashing of funds for the U.N. Emergency Force in the Middle East will jeopardize the already precarious situation. I heard the gentleman from Missouri [Mr. ICHORD] calculate the daily cost of this bill. But did he calculate the daily cost of the \$52 billion appropriated for the Defense Department? We can make no better investment for the future than to provide the funds under the amendment offered by the gentleman from Minnesota [Mr. FRASER].

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota [Mr. FRASER], and also in support of the amendment to that amendment offered by the gentleman from Massachusetts, because I believe this House should rise above party politics and vote on a proposal which would be of bipartisan authorship.

The gentleman from Michigan has mentioned the support which President Johnson has given to this program.

I should like to recall to the House the words of the late President, John F. Kennedy, in a press conference given just before his death in which he said:

I just want to say personally as President—and my predecessor said the same—this program is essential to the conduct of our foreign policy and therefore, I'm asking the Congress of the United States to give me the means of conducting the foreign policy of the United States.

And if they do not want to do so, then they should recognize that they are severely limiting my ability to protect the national interest. That is how important I think this program is.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, the morning papers inform us that yesterday the U.S. Ambassador to the U.N. conducted a hastily summoned news conference. It is reported and I quote:

He denounced as shocking the House Appropriations Committee in suddenly chopping off \$36 million in contributions to nine international agencies and programs.

It is not clear from press accounts whether this news conference where Mr. Stevenson undertook to denounce his own Government took place in the north lounge, south lounge, or his own plush quarters at the Waldorf-Astoria where he is supported in the lavish style to which he has become accustomed at the expense of the overburdened American taxpayers.

Mr. Chairman, I resent Mr. Stevenson's ill-tempered and undiplomatic blast at one of the great committees of this Congress. Of course, making a whipping boy out of Congress has lately become a favorite pastime of many. I wonder, however, if there are not some permissible limits for people on the payroll of the executive branch as Mr. Stevenson is and so long has been.

Mr. Stevenson's elegant and finely honed prose seems for once to have deserted him as he spoke of the "meat-ax approach" of the Appropriations Committee.

I do not call 800 hours of research and hearings a meat-ax approach.

I do not regard 11,000 pages of transcript and the taking of 4 volumes and 3,849 pages of testimony as a meat-ax approach.

The examination by the subcommittee of virtually every one of the 1,244 projects presented by the executive branch in its attempted justification of this program is not indicative of any meat-ax approach.

Mr. Stevenson so very conveniently forgets the Clay Committee report of only a few months ago—March 20, 1963. It said of U.S. contributions to U.N. assistance agencies:

U.S. contributions to the budgets of these organizations should not exceed our proportionate share of our regular U.N. assessment.

Just 4 months ago our colleague, the gentleman from Missouri [Mr. HALL], pointed out in a speech on the floor of this House that we are contributing in excess of 33½ percent to 10 of the 28 U.N. budgets. He added that if we held our contributions to the level recommended in the Clay Committee report we would be saving the taxpayers of this country \$37,836,000 annually.

Mr. Chairman, it so happens that this figure is within approximately \$1.8 million of the recommended \$36 million reduction in appropriated funds proposed in this bill by the House Appropriations Committee.

Where then, does Mr. Stevenson get the license from his privileged sanctuary

in the U.N. to assail this effort to bring reason and order into this facet of the foreign aid program. Mr. Chairman, I hope this House will sustain its committee and rebuke this arrogant and uncalled-for attack on the legislative process.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ASHLEY].

(Mr. ASHLEY asked and was given permission to revise and extend his remarks.)

Mr. ASHLEY. Mr. Chairman, let me say I believe very deeply this Nation is engaged in a mission. It is one which is neither fun nor free. It is one which we must face up to, and if we are to do this, Mr. Chairman, it is necessary for us to support the amendment offered by the gentleman from Minnesota.

I favor this amendment because I believe that foreign aid, despite mistakes that have been made in the program, is in the enlightened self-interest of this country and the global objectives which our foreign policy have been seeking to achieve under Republican and Democratic Presidents alike.

We have heard it said by the chairman of the subcommittee that more presidents and heads of state have been assassinated since the inception of our foreign aid program than in any other comparable period of history. Without commenting on the logic of this assertion, including events of recent weeks, I would simply respond by saying that to the best of my knowledge there has never been a period in history when the freedom of so many nations and so many hundreds of millions of human beings has been assured by this same program which we hear so mercilessly derided.

I regret the failures of American foreign aid, Mr. Chairman, as we all do, but I am deeply proud of its successes, and on the balance which history will record I feel certain that generations of future Americans will share this pride.

We have heard it said by the gentleman from Michigan that we should treat cautiously the support that is urged in favor of this program from the American Association of University Women, the AFL-CIO, the U.S. Chamber, the Cooperative League, and others, that a special interest may be involved. Well, of course, this may be true of any legislation which is acted upon in committee and which comes to the floor of the House. On balance, it would seem to me that these and other organizations have little direct or indirect pecuniary interest in foreign assistance, that chances may be quite good that they are simply speaking as interested groups and citizens who feel that their tax dollars should be used to support programs in the developing countries, both directly and through international organizations, because they believe this represents an important avenue to a stronger free world.

Mr. Chairman, I have been a Member of this body long enough to become accustomed to the irony of the House passing \$50 billion defense budgets practically by voice vote, then taking out its frustration on foreign aid. We approve authorizations for the program which

have no meaning, because we know that the ax will be wielded by the Appropriations Committee, and the public is confused when we call this the legislative process.

Last year, Mr. Chairman, the House approved an appropriation of about \$149 million for U.N. voluntary contributions. This year the administration requested about \$131 million, a reduction of about \$19 million. The committee bill is willing to allow \$100 million.

This will necessitate cutbacks in the U.N. technical assistance program; reduction of economic assistance to the Congo, where such help is the only means of reducing military tensions; a decrease in UNICEF's child health program; serious cuts in the Palestine refugee program, which currently spends at the exorbitant rate of 8 cents per day per refugee; and, finally, delay in the Indus water project which bears so importantly on the relations of India and Pakistan.

Mr. Chairman, the amounts authorized for these activities which relate so directly to the lives of millions upon millions of unfortunate human beings throughout the world are not unrealistic. The truth of the matter is that it would be unrealistic and lacking in humanity to allow the 22-percent cut to stand which has been inflicted by the Appropriations Committee on the authorization bill which we approved only a few short days ago.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. DUNCAN].

(Mr. DUNCAN asked and was given permission to revise and extend his remarks.)

Mr. DUNCAN. Mr. Chairman, I wonder if this afternoon we are not in the position of not being able to see the forest because of the trees. We are not here today debating simply a worldwide public works bill, though I like to think that some measure of humanitarianism is involved in our objectives, and I think it is.

But let us not forget for one moment that at the heart of this foreign aid program is the self-interest of the United States, and today our self-interest lies in a peaceful world, in expanding markets, in resisting and pressing back the Communist walls around the world, by whatever name they may be called.

One way we achieve this is by keeping our defenses strong. We have done this. We have voted almost \$50 billion for military defense in 1 year. Can anyone say that there is not waste in the military? Yet the military budget is scarcely questioned on this floor and rightly so, because we must maintain our strength to maintain the peace, and we absorb the waste and the loss without condoning or excusing it.

But at the same time we seek peaceful solutions to our international problems and we seek international solutions to problems before they reach the brink of armed hostilities.

I consider this foreign aid bill to be just as important a part of our national defense as the national defense bill itself. And yet today, after a reduction in the authorization bill of some \$1.3 billion, we

are faced with another \$800 million cut on an authorization not of almost \$50 billion, but of only \$3.6 billion.

I am concerned about stabilizing the economic situation in the Congo to avoid a potential recurrence of the open warfare that cannot help but involve us at far more expense than we are talking about today. I am concerned about the refugee problem in the Middle East—a problem that has brought us to the brink time and again since World War II. Time after time a Middle East crisis will arise and more often than not the refugee problem is a major issue. The crisis fades away and we forget the refugees as a burning issue. Now we propose to back out on even the palliative operation we have been supporting.

I do not pretend to have the detailed knowledge of this program, project by project, as do the members of the committee. No one feels stronger than I that the reexamination of foreign aid which we have had in connection with the authorization bill over the past few weeks has been a healthy and a desirable thing. I would say further that the chairman of this subcommittee performs a real service in questioning and probing continually the weakness which any program of this size is bound to develop.

It is the failures, not the successes of a Congressman that come to public attention. It is the failures, not the successes of foreign aid that have made the headlines and have made this the least popular program in the country today.

I have tried many a lawsuit on both sides of the table. It is easier to defend a case—to poke holes in the plaintiff's case—than it is to build up an affirmative case and plug every hole in the dike that develops under relentless cross-examination. And the opponents of foreign aid knows this, too.

Presidents of both parties have called foreign aid the most important weapon in their foreign policy arsenal. Only last month the new President, speaking from this very podium, assured our friends of the free world that the United States would stand by its commitments. Today we should underscore his statement. Today we are undercutting it.

After World War I the then President of the United States was undercut on his commitments for a League of Nations. Let us not renounce our commitments now, in a world made infinitely more dangerous than the world of the twenties and thirties.

Let us stop aid to the recovered nations of Western Europe. Let us insist on those restored nations shouldering their full share of the burden of helping the developing nations. Let us fight waste and unwise projects. But let us not endanger the safety of this Nation by cuts of the magnitude proposed here today after—I repeat after—the authorization bill has been so drastically cut. Particularly, let us not cut in the area which this amendment involves.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, this really points up how ridiculous this whole issue is in bringing a bill before

the House after long hearings ending on August 19, and waiting until now to come in here and try to steamroll a bill through on Friday, Saturday, and today. We are now operating under the 45-second rule as to whether we should issue an additional \$20 million to the United Nations.

Let us give President Johnson a vote of confidence as he prepares to make his first appearance before the United Nations. Let us make certain that President Johnson will speak for a truly united nation. As representatives of the people, Congress can give Lyndon B. Johnson the strength of U.S. purpose which a restored bill will indicate. In unity there is strength, and in strength there is a sense of greatness. Our new President needs our support. I urge the Congress to restore cuts in this program, an essential arm of U.S. foreign policy.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. FRASER].

Mr. FRASER. Mr. Chairman, I did not believe this amendment would evoke so much discussion. The U.S. Chamber of Commerce testified in favor of the full amount before our Appropriations Committee. Many groups have testified in support of it. The amount of money involved is only a fraction of the entire bill. It only makes good sense to maintain the prestige of the United States before the eyes of the world by restoring the funds needed for the United States to carry out its responsibility as leader of the free world.

(Mr. FRASER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I hope that we never reach the time when we are to let the United Nations write the legislation that we consider here in the Congress of the United States.

I ask for a vote on the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE] to the amendment offered by the gentleman from Minnesota [Mr. FRASER].

The question was taken; and on a division (demanded by Mr. CONTE) there were ayes 99, noes 127.

Mr. CONTE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CONTE and Mr. PASSMAN.

The Committee again divided, and the tellers reported that there were—ayes 105, noes 149.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRASER].

The question was taken; and on a division (demanded by Mr. ROONEY of New York) there were—ayes 89, noes 149.

So the amendment was rejected.

Mr. FARBERSTEIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this may be an unpopular thing to do at this moment in view of the vote that just took place. Nevertheless it seems to me that the underdeveloped peoples of the world, the underdeveloped countries of the world should not be under the impression that they have been forsaken altogether, that not alone the President of the United States is doing what he can for them, but there are a goodly number of Members of this House who similarly recognize their plight and seek to do what they can.

Reducing foreign aid from \$3.6 billion as authorized to approximately \$2.8 billion seems to me to be sheer folly—\$1 billion represents approximately one-fifth of 1 percent of our gross national product. So, reducing foreign aid by a few hundred million dollars does not seem to me to represent good sense when our world strategy is so dependent, as it is, on our foreign aid. Foreign aid started as a crash program, known as the Marshall plan. There is no question in my mind but that the Marshall plan saved Europe from communism.

Now we are dealing with approximately six times as many people as we dealt with in the Marshall plan. The underdeveloped countries of the world represent this many as compared to the people in Europe benefiting from the Marshall plan. When we appropriate the same amount as we did for the Marshall plan we only give one-sixth to the underdeveloped countries because of this population difference.

The total economic assistance appropriated is approximately \$1.8 billion and \$1 billion for military aid. Supporting assistance comes to \$300 million. This is not economic aid but military aid in a sense since it matches the budget deficits of the aided countries resulting from military expenditures. What we are actually doing is, under grants and loans, providing for \$1.5 billion for economic aid and \$1.3 billion for military aid. I am not against military aid because I think it is necessary to aid those countries that are under threat of the Soviet Union, but I do say it is absolutely necessary also to aid economically the underdeveloped countries of the world. I say this because just as we kept Europe from going Communist, if we are going to keep the underdeveloped countries from turning away from the West, we have to assist them. I trust, therefore, that the sum appropriated will be increased to the sum authorized by the Foreign Affairs Committee.

It certainly is a sad state of affairs when we hear that we are contributing in the way of foreign aid less to all of South America than what the Soviet Union is contributing to the aid of Cuba. So I urge the Members for selfish reasons to think twice before they vote down any increase of moneys appropriated for this purpose.

The Clerk read as follows:

Page 11, line 17:

"DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

"*Ryukyu Islands, Army*

"Administration

"For expenses, not otherwise provided for, necessary to meet the responsibilities and

obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461), as amended (76 Stat. 742); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$4,000 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of six passenger motor vehicles, of which four shall be for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$10,000,000, of which not to exceed \$2,000,000 shall be available for administrative and information expenses, and \$2,000,000 shall be available for transfer to the Ryukyu Domestic Water Corporation for construction of a portion of the integrated island water system: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred."

Mr. GIBBONS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to ask the distinguished chairman of the subcommittee a question. Mr. Chairman, I have listened to the debate on this foreign aid bill very closely today and I want to ask the gentleman whether he intends to vote for the bill.

Mr. PASSMAN. I might say to the gentleman that I have served as chairman of the subcommittee handling this bill for 9 years and I have not, of course, ever voted against our committee's bill. Certainly I am going to vote for this bill.

Mr. GIBBONS. The reason why I ask the question is because I have never heard the gentleman in the 48 minutes of time he took in general debate say anything here today in favor of the bill. I am just a freshman, but I have been listening very closely.

I have not heard the gentleman say one kind thing about the bill all day. There must be some reason why he is going to vote for it. Would he be good enough to tell me.

Mr. PASSMAN. As chairman of this Subcommittee on Appropriations, I represent the subcommittee and the full committee. I represent the committee's views and I act accordingly.

The Clerk read as follows:

Page 16, line 1:

"LIMITATION ON ADMINISTRATIVE EXPENSES

"Not to exceed \$3,500,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$75 per diem for individuals, purchase of one passenger motor vehicle (for replacement only) at not to exceed \$3,000, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered as nonadministrative expenses for the purposes hereof."

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 16, line 24, strike the period and insert the following: "None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation or hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national."

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, the Export-Import Bank is a respected U.S. taxpayer-supported institution. However, it has been forced of late to undertake a dangerous new policy. That dangerous new policy is guaranteeing credit for Communist governments. U.S. wheat sales to Russia are being negotiated with the possibility of Export-Import Bank guarantee. U.S. corn sales to Communist-bloc countries have already been cleared for credit guarantee by the Export-Import Bank.

These grain sales were presented to the American people as private-trade transactions, as distinguished from government-to-government transactions.

Mr. Chairman, the Export-Import Bank is not a private bank in any sense. It is a 100-percent-U.S. Government-financed institution. Transactions guaranteed by the Export-Import Bank are therefore subsidized by the U.S. taxpayers.

Mr. Chairman, if we give credit to the Communist governments, the grain sales, to that degree, do not help our balance-of-payments problem, nor do they reduce our gold outflow.

The only possible way that we can benefit economically from sales to Communist governments is by insisting on cash on the barrelhead.

Mr. Chairman, the Soviet Union is not a good credit risk. It is already in default on long-standing multibillion-dollar obligations to the U.S. taxpayers. U.S. taxpayers should be protected against holding the bag for deadbeat Communist governments.

The Export-Import Bank should be restricted from any further guarantees of credit for any Communist government. That is precisely what my amendment would assure.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I would be glad to yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Chairman, I should like to commend the gentleman for bringing this amendment to us. Many of us have been concerned at the prospect that an instrumentality of the U.S. Government would guarantee the credit of Communist nations to purchase American commodities.

Mr. Chairman, I would strongly urge the adoption of the gentleman's amendment.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I thank the gentleman from Indiana. I now yield to the gentleman from Maine.

Mr. McINTIRE. I want to join in commending the gentleman from Illinois [Mr. FINDLEY]. The substance of the gentleman's amendment is similar to a bill which I introduced but which has not yet, of course, had legislative consideration by the appropriate committee.

However, I share the views of the gentleman from Illinois in relation to the issue of extending credit through an agency of our Government for the sale of these commodities to Communist countries.

I want to urge support of the amendment which the gentleman offered.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Washington.

Mr. PELLY. I would like to associate myself with the gentleman's views. I shall support his amendment.

Mr. Chairman, I have opposed sale of subsidized American wheat to Communist nations, especially the Soviet Union. I believe the proposed sale violates the law.

However, that is not the only reason. Especially I oppose shipping surplus grain because by furnishing this wheat the United States actually will be in reality helping communism and the collective farming system succeed. By making the sale possible which an Export-Import Bank guarantee does we will be strengthening the Communist bloc because grain and food is a strategic material.

This amendment to prevent the Export-Import Bank from guaranteeing payment by the Communists to private American banks should prevail. I hope it passes.

(Mr. PELLY asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Kansas.

Mr. DOLE. Under the gentleman's amendment the taxpayers would avoid the risk of nonpayment by the Russians?

Mr. FINDLEY. They would, indeed.

Mr. DOLE. Under present negotiations, as I understand them, present negotiations represent a departure in dealing with Russia. I support the gentleman's amendment.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Minnesota.

Mr. QUIE. Is it true that we have never guaranteed 100 percent credit with any country?

Mr. FINDLEY. I believe that is correct.

Mr. QUIE. Even if Russia would pay back the loan as she probably would if she wanted to buy wheat again, it would be at a lower rate of interest than they would have to pay without an Export-Import Bank guarantee, the way the late President Kennedy said it would be?

Mr. FINDLEY. And to that degree, I might add, the taxpayers of the United States would be subsidizing credit for Communist governments.

Mr. QUIE. For that reason I support the gentleman's amendment.

Mr. PASSMAN. Mr. Chairman, I move to strike the last word.

Let me say that the Export-Import Bank has an outstanding reputation.

In principle I like this amendment, and that is why I do not rise in opposition to it. But I am of the opinion that if the Congress should start putting language of such type in this bill we could get into complications.

However, I do not want to take the position of opposing the amendment. It is my understanding that its purpose is to keep the Export-Import Bank from guaranteeing credit to exporters which may ship to Communist countries. Is that the purpose?

Mr. FINDLEY. That is the purpose. I might say to the gentleman the language is somewhat different from the language which the other body turned down. From the language the gentleman has before him, I have deleted the words "heretofore" and the word following "or", so that this could not be interpreted as being ex post facto or requiring the President to back away from any previous commitments. It applies only to future commitments with Communist governments, restraining the Export-Import Bank from providing any guarantee of credit on those transactions.

Mr. PASSMAN. I approve the principle of the gentleman's amendment, but nevertheless I have nothing but praise for the Export-Import Bank. I do not know of any instance where they have gotten us into trouble over a commitment. That is why I would like to have time to study this amendment and the implications involved. What the Ex-

port-Import Bank proposes to do. If they did not have a very excellent reputation I would not take the position I am taking.

Mr. HOEVEN. Mr. Chairman, I rise in support of the Findley amendment.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I rise in support of the Findley amendment. The time to act is now while the issue is before us. We have all heard about the negotiations that have been going on in the proposed wheat sale to Russia. As a matter of fact, the former President of the United States, the late Mr. Kennedy, laid down some specific guidelines as to this deal. When it was first proposed last October, the late President in clear and specific language laid down some excellent terms. He said this would be a private, commercial transaction, the Government's role being limited to granting the necessary permission. The sale would be for gold or American dollars, either cash on delivery or "normal commercial terms." Basically, the Soviet Union would be treated like any other cash customer.

But now we find that the wheat deal is bogged down. President Kennedy said this wheat would be carried in American ships, and Khrushchev objected and everything now indicates that we will relax this part of the arrangement. After it developed that the Soviet Union did not want to pay cash for the wheat either in gold or U.S. dollars, and that they did not want to deal on "normal commercial terms," they started to negotiate, and the talk has been rather prevalent that the Import-Export Bank would finance the purchase by having the U.S. taxpayers guarantee the loan. There is great sentiment for this kind of an amendment.

Backing out on terms of the deal is just a typical Communist maneuver. First a proposal is made that is sound and reasonable, then a bargain was seemingly struck whereby Russia demanded a little more; then we talk about guaranteeing loans and soon Khrushchev will get exactly what he wanted in the first place. I challenge any Member of this body to stand up and tell us why we should be guaranteeing a Communist loan when we have to borrow the money to make the loan.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Kentucky.

Mr. SNYDER. I am not prepared to answer that because I agree thoroughly with the gentleman. There has been some discussion that perhaps this could be put off until we see what the intent of the Export-Import Bank is in this area. On November 5, 1963, there was an article in the Washington Post which indicated that the Export-Import Bank has already agreed to underwrite the sale of corn to Hungary and guarantee the credit 100 percent, not the usual 50 percent.

Mr. HOEVEN. I thank the gentleman for his contribution. If a deal has been made with Hungary for corn, would it

not naturally follow that a loan would also be guaranteed for Russia?

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Where do they get the authority to be guaranteeing shipments to Communist countries?

Mr. HOEVEN. I have no way of knowing where they get the authority. They do a lot of things without specific authority.

Mr. SNYDER. If the gentleman will yield, on page 20496 of the CONGRESSIONAL RECORD of November 12, 1963, in debate in the other body the Senator from South Dakota, Senator MUNDT, mentions this article and more or less verifies all this.

Mr. FINDLEY. The source is an interpretation by the Attorney General. That is the real source.

Mr. HOEVEN. I thank the gentleman.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us get this down to the simplest denominator: Are we going to have the American wheat merchant have an equal opportunity in the world market or are we not?

This amendment will not keep other countries from getting the credits they need to sell their wheat in the world market. It will not keep Canadian merchants from buying wheat in the United States and having it financed with the help of the Export-Import Bank. Why should the American merchant be the only merchant in the whole world who cannot sell wheat to Russia on an equal, competitive basis. We are the country that has not yet sold our supply of wheat. We have an opportunity this year which may not come again soon to get rid of some of the wheat that is in storage at the expense of American taxpayers. Why should we relegate our merchants to the position of being the one group of merchants in the world that cannot sell their wheat on an equal basis.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. FINDLEY. The point of this amendment is not whether the sales will occur, but whether the taxpayers will subsidize the credit. If it is a good deal, let them get the credit from a private bank.

Mr. SMITH of Iowa. Does this amendment keep other countries from getting the same kind of credit to sell their wheat?

Mr. FINDLEY. I know of no other country that has access to the funds of the Export-Import Bank to subsidize at the expense of the taxpayers any credit terms of any Communist country.

Mr. SMITH of Iowa. My understanding is, and this is the conclusion I have reached after reading the debate in the other body, that other countries have sold their wheat or would not be prohibited from financing such sales and all we are doing is keeping our merchants from being able to finance their sales under certain circumstances.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 106, noes 112.

Mr. FINDLEY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. PASSMAN and Mr. FINDLEY as tellers.

The committee again divided and the tellers reported that there were—ayes 133, noes 133.

So the amendment was rejected.

The Clerk read as follows:

Page 18, line 6:

"POSTAGE STAMPS"

"For an additional amount for 'Postage stamps', to remain available until expended: first session of the Eighty-eighth Congress, \$45,710; second session of the Eighty-eighth Congress, \$45,710."

Mr. GROSS. Mr. Speaker, I make a point of order against the language found on page 17, line 12 through line 24 and on page 18, lines 1 through 10.

Mr. PASSMAN. Mr. Chairman, that language has already been read.

The CHAIRMAN. We have read down through page 18, line 10.

Mr. GROSS. Mr. Chairman, I desire to make a point of order against this language.

The CHAIRMAN. To which language does the gentleman refer?

Mr. GROSS. Page 17, beginning on line 12, through line 24; and on page 18, line 1 through line 10.

The CHAIRMAN. The only paragraph now pending is the paragraph on page 18 beginning line 6 and going through line 10.

Mr. GROSS. Mr. Chairman, I do not know how you could make a point of order against this division of the bill without having the contingent expenses of the House read in its entirety.

The CHAIRMAN (Mr. MILLS). We are reading the bill by paragraphs, as all general appropriation bills are read, by paragraph. If any material is subject to a point of order, the point of order must be made on the reading of the paragraph.

Mr. GROSS. Very well, Mr. Chairman; I make the point of order against the language on page 18, beginning at line 6 through line 12.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GROSS. As not being germane to this bill. This is not a supplemental appropriation bill. This is a bill for the purpose of providing funds for foreign aid.

The CHAIRMAN (Mr. MILLS). This matter is a part of the bill reported to the House and now being considered in the Committee of the Whole, a general appropriation bill. The Chair cannot sustain a point of order on the basis that it does not relate to some other matter in the appropriation bill. It is part of the bill before the Committee of the Whole.

Mr. GROSS. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Are such fringe benefits as an additional amount for stationery, postage stamp increase allowance, telegraph and telephone allowances considered foreign aid?

The CHAIRMAN. The Chair will not be called upon to pass on that.

The Clerk will read.

The Clerk read as follows:

JOINT ITEMS

Education of Pages

For an additional amount of "Education of pages", \$2,655, which amount shall be advanced and credited to the applicable appropriation of the District of Columbia.

Mr. GROSS. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Iowa rise?

Mr. GROSS. Mr. Chairman, I insist that the bill be read.

The CHAIRMAN. The gentleman insists that the bill be read.

The Clerk will read the bill.

The Clerk read as follows:

TITLE V—CLAIMS AND JUDGEMENTS, FEDERAL FUNDS

Claims and judgments, \$12,982,095

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GROSS. The Clerk did not read the language in full, beginning on page 18, line 11.

The CHAIRMAN. The Clerk will begin reading at line 11, page 18, and read the language in full.

The Clerk read as follows:

SEC. 604. No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any official, employee or other person serving in any office of any of the several States of the United States or any political subdivision thereof.

AMENDMENT OFFERED BY MR. LIPSCOMB

Mr. LIPSCOMB. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Lipscomb: Page 21, line 6, after "in" insert "Title I of".

Mr. LIPSCOMB. Mr. Chairman, this is a clarifying amendment to section 604. As now written this section pertains to the entire bill. It is intended by this amendment that section 604 pertain only to title I of the act.

I have discussed this particular amendment with the chairman of the subcommittee [Mr. PASSMAN], and I understand it is agreed to by the chairman.

Mr. PASSMAN. Is the gentleman tying this amendment to title I?

Mr. LIPSCOMB. Title I, yes.

Mr. PASSMAN. May I say to the gentleman that subsequent to the bill having been reported to the House, it was brought to my attention that if we enact this amendment it will apply not only to title I, but even under title I all contracts that the Federal Government has with States, and so forth, would go out of the window—university contracts, and others, under which we pay personnel in the foreign countries.

Mr. LIPSCOMB. You will remember this is a new program springing up with the AID agency whereby they are making contracts with State governments.

Mr. PASSMAN. I, personally, will accept this amendment inasmuch as we are improving it, at least. I do not have that right to agree, but I do not know of any member of the committee who would want to object to this amendment.

Mr. BROOMFIELD. Mr. Chairman, I would like to offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD as a substitute for the amendment offered by Mr. LIPSCOMB: On page 21, strike out lines 6 through 10, inclusive.

On page 21, strike out lines 6 through 10, inclusive.

The CHAIRMAN. The gentleman's amendment is not a substitute amendment. The gentleman's amendment is to delete language. We must act first on the Lipscomb amendment, and then the gentleman's agreement would be in order.

The question is on the amendment offered by the gentleman from California [Mr. LIPSCOMB].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan [Mr. BROOMFIELD].

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: Page 21, strike lines 6 through 10, inclusive.

(Mr. BROOMFIELD asked and was given permission to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, I move to strike out section 604 stating that:

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any official, employee or other person serving in any office of any of the several States of the United States or any political subdivision thereof.

I cannot hope to comprehend the reasons why this particular section was inserted in the bill last Saturday, and it is even further from human comprehension that a majority of the members of the committee would have seen fit to include this provision in the bill we have before us today.

Look what the language implies.

It says, in effect, that all State employees and elected officials, all city employees and elected officials, all county employees and elected officials, all presidents of land-grant colleges, all the professors at State universities, all the faculty at our city colleges and junior colleges are judged incompetent by Congress.

It prohibits a single nickel in salary or a single penny in expense money from being used to pay a State, city, or local employee for his services to his government.

There has been a great deal of talk about State's rights, about too much Fed-

eral Government, about government getting too big and away from the people.

If there was ever a proposal which brought out this trend, this is it.

It is a direct order from Congress that the Federal Government is the keeper of all wisdom, all intellect, all that is good and righteous.

It is a repudiation of all the help and the hope which State and local governmental employees have given to our overseas aid programs in the past.

It is even contradictory of the report we received today in connection with this bill. On page 23, quoting from the Second Annual Report of the Inter-American Development Bank in connection with the Social Progress Trust Fund, which the committee states also apply to the criteria established for financial assistance under the Alliance for Progress program:

There has, however, been little significant progress in real property taxation.

And most certainly, ladies and gentlemen, there will be no further progress in equitable property taxation—one area in which Latin America can provide the revenues it needs for its own betterment—if this particular section is permitted to remain where it is.

I ask the members of the committee this question. Who are the experts on property tax? Who are the experts on land reform?

Do they come from the Federal Government? You bet they do not. They come from local units of government; from our individual States, from our cities, from our counties.

Who are best qualified to carry out educational programs? Who are most qualified to set up curriculums, conduct schools and training? The Federal Government, which the proponents of this program would have us believe?

I do not think so, and I am sure that this view is shared by the vast majority of my colleagues present today.

There have been few more critical of foreign aid than I have been. I have made my views known in no uncertain terms that I was dissatisfied with the approach and the methods we have been using in many parts of the world.

I sponsored a number of limiting amendments in the foreign aid authorization bill, some of which, I am happy to say, will become law shortly.

I have been critical of the Alliance and the way it has worked, or rather not worked, in many areas of Latin America.

But this section, if it is allowed to stand, would guarantee that the Alliance for Progress could not and never would work.

It would place the entire program completely in the hands of the theorists with little practical knowledge of what makes an economy grow, or what encourages political freedom, or what forces bring about the social justice we all seek.

If we want to turn this program completely over to those with little practical experience, then let us keep this section. But if we do, there is not a one of us who ever again would have the right to complain because the Alliance for Progress

was not successful, or was not moving fast enough, or was not realizing its objectives.

Retaining this section would guarantee that there could never be progress in the Alliance for Progress. It would deny any competence at the state and local level in handling local problems efficiently and effectively, and it would preclude the use of these experts at the local level in helping solve similar projects abroad.

For better than 2 years, I have been attempting to convince the Agency for International Development that it was aiming too high, that it was basing its program in a morass of central government bureaucracy and redtape, emanating not only here in Washington but in the capitals of the countries we were attempting to assist as well.

For 2 years, I have battled within the Agency for International Development for a look at a new level of assistance, a grassroots level of aid, which could be cheaper, more effective and better understood by the people we are attempting to assist.

Only after repeated meetings and almost endless argument was AID convinced that it should give this approach a try. It will soon have that chance.

Two-thirds of the cost of this program will be paid for, not by the Federal Government, but by the local units of government involved. AID will only pay travel expenses for the experts and technicians participating in this program.

Private industry, local units of government, architectural and land-planning firms are donating their personnel and their know-how to this effort. The cost to the Federal Government is negligible.

It presumes that the best place to start on economic and political development is at the grassroots, with the people, rather than some faraway ivory tower with those who are unwilling to dirty their hands in honest labor.

If we want an efficient, economical approach to foreign aid, if we want to correct its deficiencies, than we had better start getting our programs down to a level where they can be of some direct benefit.

The Federal Government can obtain a million dollars worth of talent for every \$10,000 it pays for travel expenses under this program.

If my colleagues want to make foreign aid fail, if they want to throw more money down a rathole, then I would suggest they retain section 604.

If they want to insult the local and State officials and employees in their own districts, then they should vote to retain this section.

If, however, my colleagues believe, as I do, that some of the efficiency, some of the knowledge our local units of government have used in the past has a place in teaching underdeveloped countries how to solve their own problems by themselves, then vote to eliminate this misguided section of the bill.

I have no idea what this section is supposed to do for the appropriation, but I can guarantee one thing. It would effectively block any efficient use of our foreign aid funds in underdeveloped

countries. The money would still come out of the Federal Treasury, but the results would be meaningless and ineffective.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. HAYS. In other words, if this section is to remain in the bill, this knocks out all contracts with universities.

Mr. BROOMFIELD. That is correct.

Mr. HAYS. You have to have a bureaucrat do the job instead of a university professor.

Mr. BROOMFIELD. That is true.

Mr. HAYS. I think it is fair to point out that it is my understanding this amendment was put in to settle a little factional fight out in California. I do not know whether the author realized that when he was settling that he was also taking care of others, making this apply to universities, all State and county officials who may be engaged on a parttime basis on tax reform, or agricultural experts in agricultural colleges who can assist in land reform. While this amendment might have the desired purpose in California, and I do not presume to get into that argument, it does a lot more which would do real damage.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. LIPSCOMB. I would just like to clarify the matter to the gentleman from Ohio. This amendment was not proposed because of any factional fight in California. It is true a contract has been signed between AID and California. This fact brought the matter to my attention, I had no thought in mind about any problems in the State of California. There is a principle involved here. Whether or not this amendment touches on it in a proper way may be in question. There is a principle that must be taken care of. While we debate this particular amendment, I hope the subject is not clouded by any thought it is to get at a factional fight in the State of California.

Mr. HAYS. If there was a principle involved, the right way to handle it is in a legislative way, not tacking it onto this bill, when members of the full committee said to me they did not realize how far this goes, what the implications were in bringing it up on Saturday, and then on Monday for the House to consider. I do not think that is practical. I think the gentleman himself would admit that it goes far beyond what he intended in the beginning.

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me it would be the part of wisdom for the committee to adopt the amendment offered by the gentleman from Michigan. Although this language is obviously a restriction upon an appropriation, the point made by the gentleman from Ohio is valid. This is really far reaching legislative language which should be considered, if it is to be considered, in the legislative committee, the Committee on Foreign Affairs.

I have talked to the Administrator of the AID agency within the past few minutes about this language, and he says, he is sure it would have far-reaching consequences on the administration of this program. If the AID agency cannot draw upon the great land grant colleges and other institutions of education in the various States which have carried a lion's share of the work in the industrial and agricultural technical assistance programs, then the only other place to which it can turn to carry out the mandates of the Congress will be to an increased bureaucracy which nobody, of course, wants. This language, it seems to me, should therefore be deleted.

Mr. SIKES. Mr. Chairman, will the distinguished majority leader yield?

Mr. ALBERT. I yield to the gentleman.

Mr. SIKES. My State is one which has first-hand experience in this matter. The Florida Agricultural Experiment Station and the College of Agriculture have contributed very materially to the improvement of agricultural programs in Latin America. Those contributions to hemisphere solidarity would be impossible if this section were to remain in the bill. The motive is good but the present language could be very harmful and should be stricken from the bill.

Mr. ALBERT. The gentleman is eminently correct. I am not here in the position of a critic, but I think a mistake has been made.

I would like to call the attention of the Members of the Committee to a speech made by the President on December 6, just a little over a week ago, pertinent to the California situation which has been mentioned here.

The speech is as follows:

STATEMENT OF PRESIDENT LYNDON B. JOHNSON, PREPARED FOR CEREMONIES MARKING THE SIGNING OF ALLIANCE FOR PROGRESS AGREEMENTS BETWEEN THE STATE OF CALIFORNIA AND REPUBLIC OF CHILE, DECEMBER 6, 1963

I have asked the U.S. Coordinator of the Alliance for Progress, Mr. Teodoro Moscoso, to convey this personal message of greetings to those, both here and in California, who are participating in today's transcontinental signing ceremony.

Last February, President Kennedy and Governor Brown inaugurated a new dimension in the Alliance for Progress: the enlistment of the resources of one of our great States—California—in the effort to speed the development of one of our Alliance partners—the Republic of Chile.

Since then, dedicated and imaginative men from the State of California, in cooperation with the Agency for International Development have worked with our Chilean friends to convert that plan into a concrete program. They have succeeded. The documents signed today open the way for Chile to tap the superb resources of men and experience which California's private and public institutions have in such abundance. And California will be enriched by the experience. For it will be working with a country, as we saw recently in the image of Chile series, with a great cultural and intellectual heritage.

President Kennedy called this California-Chile plan a pioneering effort under the Alliance. I certainly agree. It is the first attempt to bring the full range of resources of one of our States to bear on the development problems of another nation. It is also

a new initiative to bring the Alliance closer to our peoples. For under it, individuals and institutions within our two countries can now develop their own close patterns of cooperation under the Alliance.

Last week, in addressing the distinguished Latin American delegates and Ambassadors who had come to Washington to pay their last respects to our late President, I reaffirmed this Nation's continuing commitment to the goals of the Alliance for Progress, and called upon our peoples to make this Alliance a living memorial to John F. Kennedy.

Thanks to the leadership of Governor Brown, and the fine cooperation between his representatives, the Republic of Chile and our AID mission in Santiago, we are today taking this significant step to make good on this pledge.

In asking the Administrator of the AID Agency, Mr. David Beil, to execute these documents, I want to express my sincere support and best wishes for the success of the program. I also ask Ambassador Gutierrez, who has done so much to help us understand and appreciate the country he represents, to convey to the Government and the people of Chile my assurance of our continued cooperation with them in the pursuit of the high objectives which Chile has set for itself under the Alliance for Progress.

Mr. Chairman, I believe that the language of the President is very persuasive. The argument made by the gentleman from Michigan and the gentleman from Ohio is convincing. I trust that we will defer this matter to a time when the appropriate legislative committee, which I am sure is the Committee on Foreign Affairs, has ample time in which to pursue it.

Mr. PASSMAN. Mr. Chairman, I move to strike out the requisite number of words.

The distinguished gentleman from California [Mr. LIPSCOMB], has offered many valuable amendments to the Committee on Appropriations. As far as I know, they have been helpful, but I concur with the distinguished majority leader that this proposal could be a bit far reaching, involving, as it does, all contracts with colleges, and universities, and trade schools.

If I should give the gentleman assurance that, as chairman of the subcommittee, I will write to the AID Agency and state that we would be displeased if they should continue to make similar contracts and that they would have to account for them before the subcommittee or the full Committee on Appropriations, would that action satisfy the gentleman?

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from California.

Mr. LIPSCOMB. It is a fact, is it not, that the Committee on Appropriations Subcommittee on Mutual Security did not have any testimony whatsoever in regard to this program or the expansion of this concept of foreign aid.

Mr. PASSMAN. That is correct.

Mr. LIPSCOMB. It has been reported in the press that similar programs such as the California-Chile program may expand to all 50 States of the Union in one form or another.

Mr. PASSMAN. It is possible under the present legislation.

Mr. LIPSCOMB. If every State of the Union begins taking personnel from their staffs and putting them under an AID contractual program it is going to be a good-sized crew of a State's officers, employees or other people who will be working for AID under contract.

Mr. PASSMAN. Presently there is only one such arrangement in effect. We cannot believe that the AID agency will continue in the face of the legislative history we are making today.

Mr. LIPSCOMB. I recognize what the gentleman is saying, Mr. Chairman, and what has been said here on the floor today.

Mr. PASSMAN. Certainly I shall counsel with the gentleman. However, I would not want to see legislation passed that would cancel all the contracts in the 50 States made by trade schools, colleges, and universities.

Mr. LIPSCOMB. The legislative history should show at this point that the Agency for International Development will not go into any further programs of this sort until your committee has had the opportunity to look into the proposals.

Mr. PASSMAN. We are going to insist that they not do so.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. RHODES of Arizona. Mr. Chairman, I would like the RECORD to show that on the minority side of the subcommittee there is certainly my personal agreement with the chairman's statement as to the way we feel about this very large proliferation of brandnew AID agencies. We do not need it. We have 1 agency in 101 nations now. I do not think we need more agencies to get into any more nations. I certainly will do whatever is necessary—sign a letter with the chairman, if that is necessary, or anything else, to stop that.

Mr. PASSMAN. We are in complete accord. Now is the time to stop it. But, in so doing, we should not cancel all the contracts outstanding.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I think the chairman of the subcommittee is doing the proper thing here in urging the elimination of the language. The matter should be looked into further at a later date and the proper decision reached with more information than we now have.

Mr. PASSMAN. I thank the gentleman.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman from Louisiana yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. ROONEY of New York. Mr. Chairman, I trust that when the distinguished gentleman from Louisiana, the chairman of the subcommittee, gets around to writing this letter, he will include me out.

Mr. PASSMAN. I shall leave the gentleman out, of course, if that is what he wishes.

Mr. HAYS. Mr. Chairman, I move to strike out the requisite number of words.

The CHAIRMAN. The gentleman is recognized.

Mr. PASSMAN. We already have an agreement.

Mr. HAYS. Mr. Chairman, I do not think you need to make that agreement. I think you are going to win without it. Not everybody here is unanimously against State-Federal contracts for foreign technical assistance. As a matter of fact, if the State of Ohio wants to pick up part of the tab—I doubt that it will—but if they do, I am certainly not going to write any legislation that will prevent them. As a matter of fact, if there is any clarification needed, I propose to offer an amendment on the legislative side next year saying that under proper conditions they may enter into such contracts and we will let the House decide it.

Mr. PASSMAN. And we will bring the bill back with the same language that we have today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BROOMFIELD].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 21, after line 10, insert a new section as follows:

"Sec. 605. No part of any appropriation contained in this Act shall be used to conduct or assist in conducting any program (including but not limited to the payment of salaries, administrative expenses, and the conduct of research activities) related directly or indirectly to the establishment of a National Service Corps or similar domestic peace corps type of program."

Mr. PASSMAN. Mr. Chairman will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The amendment was agreed to.

Mr. DOLE. Mr. Chairman, I move to strike the requisite number of words.

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, I move to strike out the requisite number of words. Because of the tie vote of 133 to 133 on the amendment of the gentleman from Illinois [Mr. FINDLEY], it may be helpful to Members of the House to have added background information about the role of the Export-Import Bank in any sale of any commodity to Russia or Communist-bloc countries.

Our late President announced the decision to allow the sale of wheat to Russia and its Communist satellites from a prepared statement at his press conference on October 9. He said at that time that he had "concluded that such

sales by private dealers for American dollars or gold, either cash on delivery or normal commercial terms, should not be prohibited by the Government."

On November 5, in an article written by Vincent J. Burke for the Los Angeles Times and the Washington Post appeared, it became apparent that financing arrangement for these sales to the Communist countries does represent a new departure—the U.S. Government and the taxpaying citizens of this country are assuming full credit risk for these sales. Any loss sustained by the seller of the grain or the banks financing the sales by extending credit to Russia, Hungary, or other Communist-bloc countries is insured by the Federal Government through its Export-Import Bank. The Federal Government, through the Export-Import Bank, is insuring payment by the Communist-bloc countries on terms of 25 percent down and 18 months in which to pay the balance.

I repeat, there is no risk for the shippers or the bankers. Full risk, full guarantee that the grain will be paid for is assumed by the taxpaying citizens of the United States through the wholly American-owned Export-Import Bank.

This guarantee is characterized as a normal extension of credit—as coming within the "normal commercial terms" the late President stipulated in his formal statement.

The Export-Import Bank in its "Memorandum: Export-Import Bank Guarantee of Sales to Bloc, November 6, 1963"—CONGRESSIONAL RECORD, November 12, 1963, pages 20499-20500—puts itself on record to that effect:

The Export-Import Bank stresses that there is nothing new in these arrangements—aside from the fact that a short-term credit risk is being covered with respect to a Soviet-bloc country."

I submit this is a complete departure from the established practice of an institution and the embracement by that institution of a technique never before used is not normal.

These are not "normal commercial terms." Far from being "normal commercial terms" the Export-Import Bank has in fact never extended credit or credit insurance to Russia, to Hungary, or to any other Communist-bloc country.

They comprise, in fact, an entirely new departure in the credit insurance program of the Export-Import Bank. Since its inception in 1934, the Export Bank has never insured a credit risk for Communist Russia or Hungary. Except for Yugoslavia, which both Congress and the White House, treat in a special category, insurance of credit risks or direct extensions of credit have not been extended to Communist countries. The present decision constitutes an entirely new use of Government guarantee of credit and establishes a new national policy of far-reaching significance which should either be approved or disapproved by Congress. How are the interests of American taxpayers protected by compelling them to underwrite and guarantee a Communist dictator's credit rating in this manner.

Mr. Chairman, the question before us is not resistance to the sale of wheat or

of other agricultural or commercial products, to Russia or Russia's European satellites. This decision was made at the administration level at the White House and announced on October 9.

Many are still concerned with the question whether it is right under prevailing world conditions for our Government to compel American taxpayers to underwrite trade with the Communists through the device of guaranteeing the good faith of Communist dictators in meeting their payments of principal and interest.

The Export-Import Bank is a Government-chartered institution. Its capital fund and operating expenses are of U.S. Treasury origin. Every dollar it has, in the last analysis, belongs to the Government of the United States—to the taxpayers of this country.

The new and unprecedented policy to use public funds to guarantee payment of private commercial accounts owed by Communist bloc countries, in my opinion, is unwise. The question is, then, to determine whether or not this is wise policy and to further determine whether or not this new policy will become a precedent for a vast new allocation of American guarantees to strengthen and rescue the sagging economy of Communist countries.

We do not question the legality of any commercial transaction under any grain sale agreement, but the wisdom of the policy, and whether it is prudent to compel our citizens to assume every type of risk involved.

The Attorney General of the United States advised the Secretary of State, that, by his interpretation of the law—no infraction would be committed by private traders participating under this program within the procedures announced by the Government.

Thus the private traders and their commercial bankers have the legal right to sell their grain and other products to the Communists on credit instead of for gold or for American dollars. Private traders and commercial bankers are not willing to extend their own credit to Communist countries whose records of repayment and of broken promises has been so disappointing and disillusioning. This House has an obligation certainly to be as alert and energetic about protecting the finances of our taxpaying constituents as private firms have in protecting the investments of their stockholders and themselves.

I presume the Export-Import Bank was suggested to guarantee payment of the obligations assumed by Communist countries because commercial bankers or exporters are not willing to assume the credit risk of repayment involved in sales to Communist countries. The private exporters and bankers are reluctant to extend their own credit in order to get the profit and income they will receive from these transactions. They must, therefore, regard the transactions as a bad risk and the Communists as insecure debtors.

Russia, in the event you have forgotten, has obligations on loans from the United States which are still outstanding from its World War I loans.

The outstanding principal as of last June 30 is \$192,601,297.37. Interest due and unpaid is \$428,819,108.19 and the total amount in default is \$621,420,405.56.

The present Soviet Union Government insists these are not its obligations, but the czarist government's obligations instead. They were made by the Government of the United States to the Government of Russia, the entire amount is in default, and is now repudiated by the Government of Russia.

There are more modern obligations due us from the Soviet Union, stemming from World War II.

That Government agreed to accept and pay for the pipeline lend-lease which had been ordered for them and was scheduled to be delivered to them at the end of the war. The amount agreed to was \$222,494,574. Of that, \$205,709,633 remains due.

That debt has nothing to do with the main body of lend-lease shipped to Russia during the war. Congress appropriated in all about \$11 billion and, as yet, no value of what is owed to us has been negotiated with the Russians. Our last offer, in 1960, was something like \$800 million to settle it. Their final offer was something like \$300 million and they demanded certain other trade concessions, at which point the negotiations broke down. Hungary also owes this country more than \$9 million from previous loans or advances.

This is not an admirable credit record. The banker, dealing with the funds of his own bank would be rare who would advance very much money to such a credit applicant. This then appears to be the reason the guarantee of the Export-Export Bank has been called for, so that public money could be used to guarantee the payments stipulated by these private sales.

There are certain requirements of law placed on the Export-Import Bank, intended to take the place of, in operating this Government-owned bank, the element of risk which is weighed so carefully by the commercial banker as he determines whether or not to extend a loan.

Section B of the Export-Import Bank Act of 1945 provides that before the Board of Directors of the Bank agree to make a loan there must be reasonable assurance of repayment. This same express provision was not written a second time into the law in 1961 when the insurance program was begun, but neither was there express provision that the basic rules under which the Bank operates were being changed. This basic rule must apply both to the making of loans and to the issuing of insurance, or there would have been express provision to the contrary. The Export-Import Bank functions as an institution making commercial loans and insuring credit and not as a eleemosynary institution.

A provision of law, 12 U.S.C. 635(b) states:

Functions as supplemental to private capital; restrictions on loans. It is the policy of the Congress that the Bank, in the exercise of its functions should supplement and encourage and not compete with

private capital, and that loans, so far as possible consistently with carrying out the purposes of subsection (a) of this section, shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment.

Mr. Chairman, on December 4, 1963, J. Edgar Hoover, Director, Federal Bureau of Investigation stated before the Brotherhood of the Washington Hebrew Congregation in Washington, D.C.:

I have said this before and I would like to repeat it here: We are at war with communism and the sooner every red-blooded American realizes this the safer we will be.

While I represent a large, in fact the largest, wheat producing district in America I find it hard to reconcile the statement of Mr. Hoover with the growing casualty list in Vietnam, which now exceeds 140, and 9 of these killed during the past few days.

Where is the gold which was to be used in payment? Why is it the Government should take the risk? Why the retreat from sales for gold or cash to sales on credit—guaranteed by the American taxpayer. The Findley amendment will not prevent sales provided they are for gold or cash—American dollars—or providing the granting of credit to the Communists is privately extended. I therefore support the Findley amendment and would urge you to support the motion to recommit which includes the amendment.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I would like to announce to the committee that it is the intention of the minority at the proper time to ask for recognition for the purpose of offering a motion to recommit with instructions, which will be the same Findley amendment to which the gentleman is about to refer.

Mr. DOLE. I thank the gentleman from Arizona.

Mr. PASSMAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, we have tried to do a good job with this bill. I do not want language put in the bill that would handicap the Export-Import Bank. I have nothing but the highest respect for the Export-Import Bank and its operations.

An amendment was offered which was defeated because of a tie vote. This amendment would place restrictions on the Export-Import Bank providing that it could not guarantee shippers of goods shipped to Communist countries. I do not think there is a Member who would not accept that provision on principle, but there are other elements which must also be considered.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The gentleman knows that he and I have been together on every portion of this bill.

Mr. PASSMAN. That is true.

Mr. RHODES of Arizona. This amendment has been worked out in the

other body. It is an amendment which I think everybody understands. It is not something which is taken out of the blue because a deal like this has already been made with Communist countries. It is not an attempt to weaken the Export-Import Bank. It is an attempt to strengthen its willingness or desire to not do something which would be a guarantee to Communist nations.

It would be my hope that the gentleman would not oppose the motion to recommit, although I recognize his strong feeling of responsibility as chairman of the subcommittee. I salute him. He is a great chairman.

Mr. PASSMAN. I thank the gentleman. I want to say that I support the amendment in principle, but I do not know just what the implications are.

Mr. RHODES of Arizona. The gentleman knows that the bill must go to the other body. There will be a conference and there will be an opportunity to work out any imperfections of language which might appear.

Mr. PASSMAN. I am doing my best to get the gentleman to vote against the motion to recommit. I do not want to say I approve of the Export-Import Bank guaranteeing shipments to Communist countries. I am against that practice. But I do not know how far this restriction could go.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. First, Mr. Chairman, I did not get an opportunity a moment ago to thank the gentleman for accepting the amendment.

Mr. PASSMAN. I am very accommodating at times. I was very happy to accommodate the gentleman.

Mr. GROSS. Again, I thank the gentleman.

Mr. Chairman, there has been a great deal of talk this afternoon about legislative history. I assume some legislative history has been made. Can the gentleman tell me how close to this \$2,800 million figure he can hold this bill in conference with the Senate? Can he give us any idea?

Mr. PASSMAN. According to my understanding, I go to conference representing the House and I am supposed to do everything in my power to hold the House figure. I might say to the gentleman that if he will look at the record, in the 8 years I have gone to conference, he will know just how hard I am to get along with in conference.

Mr. GROSS. Can we hope the gentleman will come back with a conference report of \$2,800 million?

Mr. PASSMAN. I will have to get more than that, because the bill calls for \$2,810 million.

Mr. GROSS. A total of \$2,811 million, then.

Mr. PASSMAN. I assure the gentleman that in all probability he will be very pleased with what we come back with.

Mr. GROSS. I thank the gentleman, and advise him that I will be present when the conference report is called in the House.

The Clerk concluded the reading of the bill.

Mr. PASSMAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended be passed.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. JENSEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JENSEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JENSEN moves to recommit the bill H.R. 9499 to the Committee on Appropriations with instructions to report the bill back forthwith with an amendment as follows: On page 16, after line 24, insert the following paragraph:

"None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereinafter incurred by any Communist country (as defined in section 620 (f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national."

The SPEAKER. The question is on the motion to recommit.

Mr. RHODES of Arizona. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 169, answered "present" 1, not voting 46, as follows:

Abbott
Abele
Abernethy
Adair
Addabbo
Alger
Anderson
Andrews, Ala.
Andrews,
N. Dak.
Arends
Ashbrook
Ashmore
Auchincloss
Ayres
Baker
Baldwin
Baring
Barry
Bates
Battin
Beermann
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Bolton,
Frances P.
Bolton,
Oliver P.
Bow
Brock
Bromwell
Broomfield
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Bruce
Burleson
Burton
Byrnes, Wis.
Cahill
Carey
Casey
Chamberlain
Chenoweth
Clancy
Clausen,
Don H.
Clawson, Del.
Cleveland
Collier
Colmer
Corbett
Cramer
Cunningham
Curtin
Curtis
Dague
Delaney
Derounian
Devine
Dole
Dorn
Dowdy
Downing
Dulski
Dwyer
Fallon
Feighan
Findley
Fino

[Roll No. 242]
YEAS—218

Fisher
Ford
Foreman
Forrester
Fountain
Fulton, Pa.
Fuqua
Gary
Gibbons
Glenn
Goodell
Goodling
Griffin
Gross
Grover
Gubser
Gurney
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Hardy
Harrison
Harsha
Harvey, Ind.
Harvey, Mich.
Hemphill
Herlong
Hoeven
Horan
Horton
Hosmer
Huddleston
Hull
Hutchinson
Ichord
Jarman
Jensen
Johansen
Johnson, Pa.
Jonas
Jones, Mo.
Keith
Kilburn
Kilgore
King, N.Y.
Knox
Kornegay
Kunkel
Kyl
Langen
Latta
Lennon
Lipscott
Lloyd
Long, La.
McClary
McCulloch
McDade
McIntire
McLoskey
McMillan
MacGregor
Marsh
Martin, Calif.
Martin, Nebr.
Matthews
May
Meador
Michel
Minshall
Montoya
Moore

NAYS—169

Albert
Ashley
Aspinall
Barrett
Bass
Beckworth
Blatnik
Boggs
Boland
Bolling
Bonner
Brademas
Brooks
Brown, Calif.
Buckley
Byrne, Pa.
Cameron
Cannon
Celler
Chelf
Clark
Conte
Cooley
Corman
Daddario
Daniels
Davis, Ga.
Davis, Tenn.
Dawson
Dent
Denton
Diggs
Dingell
Donohue
Duncan
Edmondson
Edwards
Elliott
Everett
Farbstein
Fascell
Finnegan
Flood
Flynt
Fogarty
Fraser
Frelinghuysen
Friedel
Fulton, Tenn.
Gallagher
Garmatz
Gathings
Glaimo
Gilbert
Gill
Gonzalez
Grabowski
Gray
Green, Oreg.
Hanna
Harding
Harris
Hawkins
Hays
Healey
Hechler
Hollifield
Holland
Jennings
Joelson
Johnson, Calif.
Johnson, Wis.

Jones, Ala.	Moss	Ryan, Mich.
Karsten	Multer	Ryan, N.Y.
Karth	Murphy, Ill.	St Germain
Kastenmeier	Murray	St. Onge
Kee	Natcher	Sheppard
Kelly	Nix	Shipley
King, Calif.	O'Hara, Ill.	Sickles
Kirwan	O'Hara, Mich.	Slack
Kluczynski	Olsen, Mont.	Smith, Iowa
Lankford	Olson, Minn.	Staebler
Leggett	O'Neill	Steed
Lesinski	Passman	Stratton
Llbonati	Patman	Stubblefield
Lindsay	Patten	Thomas
Long, Md.	Pepper	Thompson, La.
McDowell	Perkins	Thompson, N.J.
McFall	Philbin	Thornberry
Macdonald	Poage	Toll
Madden	Powell	Udall
Mahon	Price	Van Deerlin
Mailliard	Pucinski	Vanik
Martin, Mass.	Purcell	Vinson
Mathias	Randall	Watts
Matsunaga	Reuss	Weltner
Miller, Calif.	Rhodes, Pa.	White
Mills	Rivers, Alaska	Wickersham
Minish	Roberts, Ala.	Willis
Monagan	Rodino	Wilson,
Moorhead	Rogers, Colo.	Charles H.
Morgan	Rooney, N.Y.	Wright
Morris	Rosenthal	Young
Morrison	Rostenkowski	Zablocki
Morse	Roybal	

ANSWERED "PRESENT"—1

Keogh

NOT VOTING—46

Avery	Hébert	Roosevelt
Becker	Henderson	Roush
Belcher	Hoffman	Shelley
Bray	Laird	Short
Burke	Landrum	Sisk
Burkhalter	Miller, N.Y.	Staggers
Cederberg	Milliken	Sullivan
Cohelan	Murphy, N.Y.	Thompson, Tex.
Derwinski	Nedzi	Trimble
Ellsworth	O'Brien, Ill.	Tupper
Evins	Osmers	Ullman
Grant	Pilcher	Van Pelt
Green, Pa.	Pillion	Wilson, Bob
Griffiths	Rains	Younger
Hagan, Ga.	Riehlman	
Hansen	Rooney, Pa.	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Becker for, with Mr. Keogh against.
 Mr. Bray for, with Mr. Nedzi against.
 Mr. Younger for, with Mrs. Sullivan against.
 Mr. Van Pelt for, with Mr. Green of Pennsylvania against.
 Mr. Short for, with Mr. Burke against.
 Mr. Hagan of Georgia for, with Mr. Hébert against.
 Mr. Ellsworth for, with Mr. Sisk against.
 Mr. Cederberg for, with Mr. Rooney of Pennsylvania against.
 Mr. Grant for, with Mr. Murphy of New York against.
 Mr. Riehlman for, with Mr. Trimble against.
 Mr. Miller of New York for, with Mrs. Griffiths against.
 Mr. Laird for, with Mr. Roosevelt against.
 Mr. Hoffman for, with Mr. Cohelan against.
 Mr. Bob Wilson for, with Mr. Roush against.
 Mr. Derwinski for, with Mr. O'Brien of Illinois against.
 Mr. Henderson for, with Mr. Ullman against.
 Mr. Osmers for, with Mr. Staggers against.
 Mr. Pilcher for, with Mr. Burkhalter against.

Until further notice:

Mr. Evins with Mr. Avery.
 Mr. Rains with Mr. Thompson of Texas.
 Mr. Landrum with Mrs. Hansen.

Messrs. MONTTOYA and ROBERTS of Texas changed their vote from "nay" to "yea."

Mr. KEOGH. Mr. Speaker, I have a live pair with the gentleman from New

York [Mr. BECKER]. If he were present he would have voted "yea." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

Mr. PASSMAN. Mr. Speaker, pursuant to the instructions of the House in the motion to recommit, I report back the bill H.R. 9499 with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 16, after line 24, insert the following paragraph:

"None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereinafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RHODES of Arizona. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 249, nays 135, answered "present" 4, not voting 46, as follows:

[Roll No. 243]

YEAS—249

Addabbo	Daddario	Grover
Albert	Dague	Gubser
Arends	Daniels	Hagen, Calif.
Ashley	Davis, Ga.	Halleck
Aspinall	Davis, Tenn.	Halpern
Auchincloss	Dawson	Hanna
Ayres	Delaney	Harding
Baldwin	Dent	Hardy
Barrett	Denton	Hawkins
Barry	Derounian	Hays
Bass	Diggs	Healey
Bates	Dingell	Hechler
Beckworth	Donohue	Herlong
Bell	Downing	Hollifield
Blatnik	Dulski	Holland
Boggs	Duncan	Horan
Boland	Dwyer	Horton
Bolling	Edmondson	Hosmer
Bolton,	Edwards	Joelson
Frances P.	Elliott	Johnson, Calif.
Bolton,	Everett	Johnson, Pa.
Oliver P.	Fallon	Johnson, Wis.
Brademas	Farbstein	Jones, Ala.
Brock	Fascell	Jones, Mo.
Bromwell	Feighan	Karsten
Brooks	Finnegan	Karth
Broomfield	Fino	Kastenmeier
Brotzman	Flood	Kee
Brown, Calif.	Flynt	Keith
Buckley	Fogarty	Kelly
Burton	Ford	Kilburn
Byrne, Pa.	Fraser	King, Calif.
Byrnes, Wis.	Frelinghuysen	Kirwan
Cahill	Friedel	Kluczynski
Cameron	Fulton, Pa.	Kunkel
Cannon	Fulton, Tenn.	Lankford
Carey	Gallagher	Leggett
Celler	Garmatz	Lesinski
Clark	Gary	Llbonati
Clausen,	Glaimo	Lindsay
Don H.	Gibbons	Lloyd
Cleveland	Gilbert	Long, Md.
Conte	Gill	McDade
Cooley	Gonzalez	McDowell
Corbett	Goodling	McFall
Corman	Grabowski	Macdonald
Cramer	Gray	MacGregor
Curtin	Green, Oreg.	Madden
Curtis	Griffin	Mahon

Mailliard	Philbin	Smith, Iowa
Marsh	Pike	Springer
Martin, Mass.	Pirnie	Staebler
Mathias	Powell	Stafford
Matsunaga	Price	Steed
Matthews	Pucinski	Stratton
May	Purcell	Stubblefield
Meador	Quile	Taft
Miller, Calif.	Randall	Talcott
Mills	Reid, N.Y.	Teague, Calif.
Minish	Reuss	Thomas
Monagan	Rhodes, Ariz.	Thompson, N.J.
Montoya	Rhodes, Pa.	Thornberry
Moorhead	Rivers, Alaska	Toll
Morgan	Roberts, Ala.	Tuten
Morrison	Roberts, Tex.	Udall
Morse	Robison	Ullman
Morton	Rodino	Van Deerlin
Moss	Rogers, Colo.	Vanik
Multer	Rooney, N.Y.	Vinson
Murphy, Ill.	Rosenthal	Wallhauser
Natcher	Rostenkowski	Watts
Nix	Roybal	Weaver
O'Brien, N.Y.	Ryan, Mich.	Weltner
O'Hara, Ill.	Ryan, N.Y.	Whalley
O'Hara, Mich.	St. George	White
Olsen, Mont.	St Germain	Wickersham
Olson, Minn.	St. Onge	Widnall
O'Neill	Schneebeli	Wilson,
Ostertag	Schweiker	Charles H.
Passman	Seiden	Wright
Patman	Senner	Wydier
Patten	Sheppard	Young
Pelly	Sibal	Zablocki
Pepper	Sickles	
Perkins	Slack	

NAYS—135

Abbitt	Goodell	Poff
Abele	Gross	Pool
Abernethy	Gurney	Quillen
Adair	Haley	Reid, Ill.
Alger	Hall	Reifel
Anderson	Harris	Rich
Andrews, Ala.	Harrison	Rivers, S.C.
Andrews,	Harsha	Rogers, Fla.
N. Dak.	Harvey, Mich.	Rogers, Tex.
Ashbrook	Hemphill	Roudebush
Ashmore	Hoeven	Rumsfeld
Baker	Huddleston	Saylor
Baring	Hull	Schadeberg
Battin	Hutchinson	Schenck
Beermann	Ichord	Scott
Bennett, Fla.	Jarman	Secrest
Bennett, Mich.	Jennings	Shipley
Berry	Jensen	Shriver
Betts	Johansen	Sikes
Bonner	Jonas	Siler
Bow	Kilgore	Skubitz
Brown, Ohio	King, N.Y.	Smith, Calif.
Broyhill, N.C.	Knox	Smith, Va.
Broyhill, Va.	Kornegay	Snyder
Bruce	Kyl	Stephens
Burleson	Langen	Stinson
Casey	Latta	Taylor
Chamberlain	Lennon	Teague, Tex.
Chelf	Lipscomb	Thompson, La.
Chenoweth	Long, La.	Thomson, Wis.
Clancy	McClory	Tollefson
Clawson, Del	McCulloch	Tuck
Collier	McIntire	Utt
Colmer	McLoskey	Waggoner
Cunningham	McMillan	Watson
Devine	Martin, Calif.	Westland
Dole	Martin, Nebr.	Wharton
Dorn	Michel	Whitener
Dowdy	Minshall	Whitten
Fisher	Moore	Williams
Foreman	Morris	Willis
Forrester	Mosher	Wilson, Ind.
Fountain	Murray	Winstead
Fuqua	Norblad	Wyman
Gathings	O'Konski	
Glenn	Poage	

ANSWERED "PRESENT"—4

Findley	Keogh	Nelsen
Harvey, Ind.		

NOT VOTING—46

Avery	Hébert	Roosevelt
Becker	Henderson	Roush
Belcher	Hoffman	Schwengel
Bray	Laird	Shelley
Burke	Landrum	Short
Burkhalter	Miller, N.Y.	Sisk
Cederberg	Milliken	Staggers
Cohelan	Murphy, N.Y.	Sullivan
Derwinski	Nedzi	Thompson, Tex.
Ellsworth	O'Brien, Ill.	Trimble
Evins	Osmers	Tupper
Grant	Pilcher	Van Pelt
Green, Pa.	Pillion	Wilson, Bob
Griffiths	Rains	Younger
Hagan, Ga.	Riehlman	
Hansen	Rooney, Pa.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Becker against.
Mr. Riehlman for, with Mr. Harvey of Indiana against.
Mr. Cohelan for, with Mr. Findley against.
Mr. Nelsen for, with Mr. Younger against.
Mr. Nedzi for, with Mr. Bray against.
Mr. Hébert for, with Mr. Hagan of Georgia against.
Mr. Laird for, with Mr. Derwinski against.
Mr. Osmer for, with Mr. Van Pelt against.
Mr. Bob Wilson for, with Mr. Ellsworth against.
Mr. Miller of New York for, with Mr. Short against.
Mr. Tupper for, with Mr. Grant against.
Mr. Burke for, with Mr. Cederberg against.
Mr. Green of Pennsylvania for, with Mr. Hoffman against.
Mrs. Sullivan for, with Mr. Henderson against.

Until further notice:

Mr. Trimble with Mr. Avery.
Mrs. Hansen with Mr. Murphy of New York.
Mr. Burkhalter with Mr. Pilcher.
Mr. Staggers with Mr. O'Brien of Illinois.
Mr. Roosevelt with Mr. Rooney of Pennsylvania.
Mrs. Griffiths with Mr. Landrum.
Mr. Rains with Mr. Roush.
Mr. Sisk with Mr. Thompson of Texas.
Mr. Evins with Mr. Shelley.

Mr. KEOGH. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. BECKER]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HARVEY of Indiana. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. RIEHLMAN]. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. NELSON. Mr. Speaker, I have a live pair with the gentleman from California [Mr. YOUNGER]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. FINDLEY. Mr. Speaker, I have a live pair with the gentleman from California [Mr. COHELAN]. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed, H.R. 9499.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7431, MAKING APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the managers

on the part of the House have until midnight tomorrow night to file a conference report on the bill H.R. 7431, making appropriations for the District of Columbia, fiscal year 1964.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SENSE OF CONGRESS THAT DISCRIMINATION AGAINST AMERICAN CITIZENS BECAUSE OF RACE OR RELIGION IS REPUGNANT TO OUR PRINCIPLES

(Mr. FARBSTEIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

(Mr. FARBSTEIN. Mr. Speaker, I want to compliment the appropriations committee for again including in the foreign aid appropriations bill which just passed the House section 106. This section which was drafted by the gentleman from New York, Congressman ROONEY, says that it is the sense of Congress that discrimination against American citizens because of race or religion is repugnant to our principles and in all negotiations between the United States and any foreign state as a result of funds appropriated for foreign aid, these principles shall be applied.

The British Parliament the other day, sharply condemned the Arab boycott and blacklisting of the Norwich Union Insurance Co. which forced Lord Mancroft to resign as a member of its board of directors because he is Jewish. Despite being asked to return by the Norwich Insurance Co. he refused. The reaction of the country to this Arab pressure was one of indignation.

I trust that the State Department will take notice of an item that appeared in the daily press a few days ago that the Kingdom of Jordan a beneficiary of our aid blacklisted two American concerns for doing business with Israel. They are the Adams Carbide Co. and the Home Insurance Co.

I further trust that the State Department will take the necessary steps to implement the sense of Congress as stated on the foreign aid appropriations bill.

THE ALLIANCE FOR PROGRESS PROGRAM

(Mr. ALBERT asked and was given permission to address the House for 1 minute to revise and extend his remarks, and to include an editorial from the New York Times and from the Baltimore Sun.)

Mr. ALBERT. Mr. Speaker, in the flood of events of the past few weeks, one of the most outstanding is the decisive manner in which President Johnson has moved to place among his highest priorities the question of our relations with our Latin American neighbors. The new emphasis was revealed over the weekend when the President announced his intention to appoint Thomas C. Mann, our Ambassador to Mexico, to the post he previously held as Assistant Secretary of State for Inter-American Affairs.

Even more significant, however, is the mandate which President Johnson presented to Mr. Mann. He placed his finger squarely on one of the most important problems that this Nation has encountered in its hemispheric relationships, the problem of coordination. He made it clear in a letter to the Ambassador that he intends to place under Mr. Mann's jurisdiction "all policies and programs of the U.S. Government, economic, social, and cultural, relating to Latin America."

Mr. Speaker, this is the first time in many years that this responsibility will be clearly fixed. It would be difficult to find a better qualified person to assume this responsibility. Under Presidents of both parties Thomas Mann has demonstrated the qualities that are vital to success in this field. There can be no doubt of his firmness of attitude toward communism in every form, including the Castro variety. But at the same time he has exemplified the understanding which is essential in dealing with the intricate problems of this hemisphere.

Mr. Speaker, there have been many dedicated and able men working in this field. The program and the policies which have been devised have been imaginative and forward looking. What is needed and desired is not so much a change in direction as a shift in emphasis and a coordination of effort. This we can expect Mr. Mann to provide.

Mr. Speaker, when our late, great President took office, the Alliance for Progress captured the imagination of the whole Western Hemisphere. It was a grand design of the nations of this hemisphere marching forward arm in arm to create a better world for all of us.

The Alliance for Progress has been far more successful than its critics have claimed. It now receives a new shot in the arm which should help to bring it much closer to the noble goals conceived by President Kennedy. In the years that lie ahead it will become more and more apparent that no area of the world is more challenging to us than that of the Western Hemisphere.

There is a tremendous ferment throughout Latin America—a desire to expand the horizons of opportunity. This deep-seated desire on the part of our friends to the south cannot and should not in conscience be denied.

Mr. Speaker, the goals that they seek can be obtained through partnership. It is to our interest as well as to theirs to strengthen that partnership.

President Johnson summed up the situation when he said, "No work is more important for our generation of Americans than our work in this hemisphere. The American people have a deep desire to work together with our neighbors."

Mr. Speaker, our President is forging the tools through which this partnership can be maintained and we look forward to the progress that is essential.

Mr. Speaker, I conclude my remarks by inserting at this point editorials from the New York Times and the Baltimore Sun discussing President Johnson's moves in this field.

[From the Baltimore Sun, Dec. 16, 1963]

LATIN SHIFT

It is significant that President Johnson's first major nomination should deal with

FOREIGN AID AND RELATED AGENCIES APPROPRIATION
BILL, 1964

DECEMBER 17, 1963.—Ordered to be printed

Filed under authority of the order of the Senate of February 11, 1963

Mr. HAYDEN, from the Committee on Appropriations, submitted
the following

REPORT

[To accompany H.R. 9499]

The Committee on Appropriations, to which was referred the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	¹ \$3, 113, 100, 370
Amount of increase by Senate committee.....	¹ 491, 264, 297
Amount of bill as reported to the Senate...	3, 604, 364, 667
Amount of estimates, 1964.....	4, 874, 550, 330
Amount of appropriations, 1963.....	6, 203, 567, 150
The bill as reported to the Senate:	
Under the estimates for 1964.....	1, 270, 185, 663
Under the appropriations for 1963.....	2, 599, 202, 483

¹ And in addition reappropriation of \$209 million in unobligated balances (title D).

Summary of bill

Title	Item	Authorization	Bill as it passed House	Recommended by Senate committee	Increase (+) or decrease (-) Senate bill compared with—	
					Authorization	Bill as it passed House
I	Foreign aid (mutual security)-----	\$3,602,075,000	1 \$2,801,700,000	1 \$3,299,503,000	-\$302,572,000	+\$497,803,000
II	Foreign aid (other)-----	327,079,000	295,580,000	288,397,137	-38,681,863	-7,182,863
III	Export-Import Bank (limitation on Treasury borrowing authority)-----	1,317,866,000	1,317,866,000	1,317,866,000	-----	-----
IV	Legislative branch-----	3,014,235	2,838,275	3,332,435	+318,200	+494,160
V	Independent offices-----	150,000	-----	150,000	-----	+150,000
VI	Claims and judgments:					
	Federal-----	12,982,095	12,982,095	12,982,095	-----	-----
	District of Columbia-----	(22,238)	(22,238)	(22,238)	-----	-----
	Total-----	5,263,166,330	4,430,966,370	4,922,230,667	-340,935,663	+491,264,297

¹ And in addition reappropriation of \$209 million in unobligated balances.

TITLE I—FOREIGN AID (MUTUAL SECURITY)**GENERAL STATEMENT**

The executive branch submitted a revised estimate of \$4,525,325,000 for the foreign aid program. This revised estimate was \$400 million less than the original request made in January 1963. The committee recommends an appropriation of \$3,299,503,000, which is \$1,225,-822,000 less than the revised budget estimate.

The foreign aid program has been and will continue to be a central element in an effective and positive U.S. foreign policy. Major reductions in the program would limit the ability of the United States to affect world policy and to meet the challenge of Sino-Soviet aggression. The committee heard testimony from Secretary Rusk, Administrator Bell, Assistant Secretary Bundy, General Taylor, General Wood, and others, emphasizing the positive role which foreign assistance plays in both our defense effort and our foreign policy. In the detailed testimony by representatives of the State and Defense Departments, the committee established that there was no evidence to support a reduction in the aid program drastically below the authorization level. In fact, the committee is firmly of the opinion that any further reduction below the figure which has been recommended could place American foreign policy in jeopardy. The committee's recommendation is \$629,397,000 less than the final appropriation voted by the Congress in fiscal year 1963.

The drastic reduction voted by the House would severely restrict the development lending program which Congress made the central element of the foreign aid program. Approval of the House figure would make it impossible for the United States to meet existing commitments under multilateral arrangements as well as mount an effective program elsewhere. U.S. commitments to India, Pakistan, and Turkey alone total \$648 million. The committee favors the action of the Agency for International Development in its emphasis on multilateral channels of aid—such as consortium arrangements—which help to increase participation by our prosperous allies in the development effort. The committee is pleased that progress has been made in getting better loan terms from other industrialized nations, and urges that the executive branch continue its efforts to achieve favorable terms from other nations in their assistance programs.

Study of the evidence has convinced the committee that the negative impact of the foreign assistance program on our balance of payments and gold supply is relatively small. The major impact arises primarily from other expenditures such as oversea troops and bases, foreign private investment by U.S. citizens, and tourist expenditures abroad. The committee has noted with approval the executive branch efforts to reduce the impact of the aid program on the balance of payments. More than 80 percent of funds under the program will be expended in the United States.

The committee commends the new Administrator of AID, for the effective steps he has taken during the first year as Director of the program. He has been particularly effective in improving personnel management and budgetary procedures. The committee looks forward to increased efficiency in the program and the Administrator has assured the committee of his intention to effect further improve-

ments as recommended by the recent report on "Personnel Administration and Operations" made under the authority of this committee.

The increase in funds which has been committed but not expended is a matter which should be carefully reviewed by those administering the program. But it is not a reason for reducing the appropriation to a low level. This increase stems on the economic side primarily from the increase in long-term development lending. The continuing trend to dollar repayable loans is commended by the committee.

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC ASSISTANCE

DEVELOPMENT GRANTS

1963 appropriation-----	\$225, 000, 000
1964 budget estimate, revised-----	257, 000, 000
House allowance-----	150, 000, 000
Committee recommendation-----	175, 000, 000

The committee recommends the appropriation of \$175 million, which is an increase of \$25 million over the House allowance and \$82 million below the amount requested in the estimates.

The development of human resources remains the most pressing priority need of most of the countries aided by the United States today. The development of these resources is attained through the development grant assistance program.

This program helps to build a wide variety of institutions which are needed to make trained people effective in schools and universities, agricultural extension services, public health assistance, trade associations, labor unions, and cooperatives. In 40 countries, most of which are in the early stages of development, the development grant program accounts for more than 50 percent of total U.S. assistance. In fact, in almost half of these countries development grant aid comprises the only assistance given by the United States. While there is a small sum of the total made available under this appropriation for commodities, the bulk of the moneys obligated under this program is for technical assistance.

Under the Agency for International Development, the technical assistance program has grown out of the original point 4 program. Its basic tools are the American specialists who serve overseas and train the key host country people in some of the more advanced countries. At present, more than 5,000 American professionals and technicians are at work overseas on technical assistance missions. About 3,500 of these are employees of the Agency for International Development and the remainder are loaned to this agency by other Federal agencies. None of the funds provided for the development grant program will be obligated in Europe in fiscal year 1964. Actually, the last European programs, in Spain and Greece, were terminated in fiscal year 1962.

Approximately \$41 million of the amount appropriated hereunder will be used to finance so-called nonregional development grant activities. These activities include—

1. The Washington program staff, which includes specialists in fields such as agriculture, community development, education, and health.

2. Participant services, such as orientation seminars for trainees from less developed countries, which must be arranged in advance and are difficult to attribute to specific country programs.

3. Medical, communications, custodial, vehicle and other services provided to AID program personnel by the Department of State.

4. Costs of shipping to less-developed countries of commodities and equipment donated by the American public through U.S. voluntary agencies.

5. The research development program, the purpose of which is to discover through modern science and technology new and imaginative ways of speeding development in the less-developed countries of the free world.

The committee recommends that the African scholarship program of American universities, now conducted and supported by U.S. universities and colleges, African governments, private organizations, and the Agency for International Development be continued in fiscal year 1964 as presently programed.

The committee supports the principle (in the development grant section of the authorization legislation) of technical assistance on a selective basis. These programs, properly planned and administered with maximum cooperation from the recipient country, represent an effective method of transferring American skill and know-how to the emerging nations. The committee urges that the AID continue to implement its technical assistance at the multiplier level—teaching the teachers, training the administrators—and working at strategic points in the society. Other U.S. programs, such as the Peace Corps, perform an important, but quite different, function in providing American help at a more immediate level.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

1963 appropriation.....	
1964 budget estimate, revised.....	\$20, 000, 000
House allowance.....	14, 300, 000
Committee recommendation.....	14, 300, 000

The committee recommends an appropriation of \$14,300,000 for this item, which is the same amount approved by the House.

The original budget estimate submitted to the Congress envisaged a program for American-sponsored schools and hospitals abroad, totaling \$20,725,000. This program included the following:

1. American University of Beirut.....	\$2, 000, 000
2. American University of Beirut (Medical Center).....	11, 500, 000
3. American University in Cairo.....	150, 000
4. Robert College.....	2, 000, 000
5. Athens College.....	100, 000
6. Pierce College.....	600, 000
7. Anatolia College.....	200, 000
8. American Farm School.....	75, 000
9. Escuela Agricola Panamericana.....	300, 000
10. Project Hope.....	1, 600, 000
11. Polish Children's Hospital.....	2, 200, 000

Total.....	\$20, 725, 000
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The committee approves of the use of funds for the American University in Beirut teaching hospital, the American Research Hospital in Krakow, Poland, and Project Hope upon the presentation of appropriate designs and specifications to AID. The appropriation of \$19 million will assist in carrying these projects forward. However, it is recognized that the funds available under section 214 may be limited so that AID would not be able to move forward with each of these projects in fiscal year 1964 with appropriate speed. Because the details of these projects were not sufficiently advanced to be firm at the time of the presentation of the fiscal year 1964 program to the Congress, the appropriation has taken into account the possible need for funds hereunder by transfers under the authority contained in the act.

AMERICAN HOSPITALS AND SCHOOLS ABROAD (SPECIAL FOREIGN
CURRENCY PROGRAM)

1963 appropriation.....	\$2, 800, 000
1964 budget estimate.....	2, 000, 000
House allowance.....	4, 700, 000
Committee recommendation.....	4, 700, 000

The committee concurs in the House allowance of \$4,700,000 for this item, the sum authorized by the Congress. Of this amount, \$3,900,000 is for the purchase of excess foreign currencies (Polish zlotys) owned by the Treasury to finance completion of the U.S.-sponsored children's hospital in Krakow, Poland, which is being built under the auspices of the American Research Hospital in Poland, Inc. The balance, \$800,000, is to be used to purchase excess Egyptian pounds owned by the Treasury for use at the American University in Cairo.

Since the total of \$4.700,000 is appropriated for the purchase of the foreign currencies, as mentioned above, and for the purposes stated, an amendment of the House language is necessary to make it possible for the \$800,000 appropriated to be used. The following language is contained in the House bill making the appropriation of this item:

American hospitals abroad (special foreign currency program): For expenses authorized by section 214(c) for hospital construction, \$4,700,000, to be used to purchase foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

This language fails to mention schools and, unless amended, would make it impossible for the \$800,000 appropriated herein to be used for the American University in Cairo. Consequently, the committee has made the following amendments in this language:

1. On page 2, line 12, after "hospitals", insert: "and schools".
2. On page 2, lines 13 and 14, strike out "for hospital construction".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1963 appropriation.....	\$148, 900, 000
1964 budget estimate, revised.....	136, 050, 000
House allowance.....	100, 000, 000
Committee recommendation.....	130, 903, 000

The committee recommends an appropriation of \$130,903,000 for international organizations and programs. This is an increase of \$30,903,000 over the House allowance, and is the same as the amount

requested in the revised estimate. The moneys provided under this appropriation provide funds for the following United Nations programs:

1. Technical assistance and special fund-----	\$59,000,000
2. Economic assistance to the Congo-----	5,000,000
3. Relief and works agency for Palestine refugees-----	17,200,000
4. Children's fund (UNICEF)-----	12,000,000
5. Food and Agricultural Organization, world food program-----	2,000,000
6. International Atomic Energy Agency, operational program-----	1,250,000
7. World Health Organization, special programs-----	500,000

In addition to the funds for these United Nations programs, there are also provided \$30,300,000 for the Indus Waters Fund, and \$3,653,000 for United Nations peacekeeping operations in the Congo and the Emergency Force in the Gaza strip.

The committee is concerned that sufficient and necessary funds be available under this head in order to maintain the position of the United States in its efforts to induce other nations to join in the support of United Nations activities which are in our own national interest, and to bolster the U.S. contention that all members of the United Nations contribute their share of dues and assessments.

SUPPORTING ASSISTANCE

1963 appropriation-----	\$395,000,000
1964 budget estimate, revised-----	435,000,000
House allowance-----	300,000,000
Committee recommendation-----	380,090,000

The committee recommends an appropriation of \$380 million, which is \$80 million over the House allowance and \$55 million under the budget estimate.

Almost one-half of the total foreign aid program falls into the category of so-called strategic assistance, which includes three sources of funds; namely, military assistance, supporting assistance, and the contingency fund.

South Vietnam portrays most vividly the strategic assistance program in action. U.S. helicopters fly U.S. trained and equipped Vietnamese soldiers into jungle combat with the Communist forces of the Vietcong, and American dollars finance the import of raw materials and machinery into South Vietnam to keep the economy functioning. The dollars for the latter purpose are furnished under this appropriation item, "Supporting assistance," while the dollars for the former are supplied under the appropriation title, "Military assistance."

While past criticism of the supporting assistance program to a certain extent is valid, the Agency for International Development has endeavored to obtain a dollar's value for every dollar spent in the supporting assistance program. In recent years, strenuous efforts have been made to coordinate both the military and economic programs, and this has resulted in considerable improvement both in the field and in Washington. There is, nevertheless, room for further improvement, and the committee urges the Agency to continue its unrelenting efforts to achieve this desirable objective.

In making restoration of \$80 million, the committee wishes to emphasize that economic grant aid furnished under this appropriation is sorely needed to help sustain the economies of nations such as Turkey,

Vietnam and Korea, heavily burdened as they are by military programs which they maintain as part of the free world defense effort.

CONTINGENCY FUND

1963 appropriation.....	\$250, 000, 000
1964 budget estimate, revised.....	300, 000, 000
House allowance.....	50, 000, 000
Committee recommendation.....	32, 900, 000

For the contingency fund, the committee recommends an appropriation of \$32,900,000, a decrease of \$17,100,000 under the House allowance and a decrease of \$267,100,000 under the budget estimate of \$300 million. In addition, the committee has concurred with the House in the reappropriation of \$127,100,000 of unobligated balances, thus making \$160 million available for this fund, the same amount authorized by Congress.

Unforeseen international situations inevitably arise each year, creating a need for an immediate response by the United States. Furthermore, both economic and political needs, which may have been anticipated only in a general way, suddenly materialize and demand rapid and vigorous action by the President. The contingency fund provides the needed flexibility to meet such crises before they grow more dangerous or present a hazard to free world stability.

It is impossible to state specifically how much is enough for the contingency fund; \$275 million was provided by the Congress in fiscal year 1962, but this turned out to be insufficient, and it was necessary to transfer funds from the military assistance appropriation to meet urgent requirements. In fiscal year 1963, \$127,100,000 of the contingency fund has remained unused at the end of the fiscal year, and the committee, concurring with the action of the House, has reappropriated the full amount of this unobligated balance for fiscal year 1964.

The contingency fund came into existence 6 years ago, and has proved to be of untold value, permitting expeditious reaction to Communist attacks and subversion wherever they occur, as well as meeting other emergent situations. It has offered help and encouragement when needed most to free world countries with both political and economic problems.

As previously stated in this report, the contingency fund is an essential part of and not a separate authority from strategic assistance. Only those programs which can meet the regular requirements of the Foreign Assistance Act are eligible to be funded from this appropriation.

INTER-AMERICAN SOCIAL AND ECONOMIC COOPERATION PROGRAM

1963 appropriation.....	-----
1964 budget estimate, revised.....	\$200, 000, 000
House allowance.....	100, 000, 000
Committee recommendation.....	180, 000, 000

The committee recommends an appropriation of \$180 million for this item, which is an increase of \$80 million over the House allowance and is the same amount as was authorized in legislation recently enacted by the Congress.

The inter-American social and economic cooperation program, working with the Agency for International Development, is concerned with the areas of land reform, better housing, sanitation, water supply, education, and tax reforms.

In 1961, Congress appropriated \$500 million for the social progress program, accepting both the principle of a major cooperative effort by the American nations to progress and the need for self-help and reforms for Latin America. At that time, under a trust agreement between the United States and the Inter-American Development Bank, the Social Progress Trust Fund was established. Initially, the United States provided capital of \$394 million.

The trust agreement between the Inter-American Development Bank and the United States assures that the trust fund will support the efforts of Latin American countries which are prepared to initiate or expand effective institutional improvements and to employ their own resources efficiently to achieve greater social progress. The Inter-American Development Bank is a multilateral institution in which member countries of the Alliance for Progress are represented under a system of weighted votes. Loans are only made when there is a two-thirds vote of approval, and the United States, through its stock subscription, possesses 41 percent of the voting strength.

The Inter-American Development Bank has adhered to rigid standards in the disbursing of funds under its control. These include the following:

- (1) Self-help measures;
- (2) Approval of loans on a priority basis;
- (3) Assurance of the ability of the borrowing agency to execute the project with maximum economy and efficiency;
- (4) Encouragement of private investment to participate in the venture where possible;
- (5) Providing technical assistance as part of the loan.

Because of these and other rigid standards, local sources have already put up 53 percent of the \$780 million total required for approved projects. The Social Progress Trust Fund's share was 41 percent and other external sources provided the remaining 6 percent.

ALLIANCE FOR PROGRESS

DEVELOPMENT LOANS

1963 appropriation.....	\$425, 000, 000
1964 budget estimate, revised.....	550, 000, 000
House allowance.....	350, 000, 000
Committee recommendation.....	425, 000, 000

The committee recommends the restoration of \$75 million for the Alliance for Progress development loan program, for a total appropriation of \$425 million, which is \$125 million under the revised budget estimate.

In August 1961, the American nations met to discuss a cooperative effort to develop the Western Hemisphere. This meeting accomplished two things: It established goals, and it established a framework of cooperation. These goals and this outline of cooperation were set down in the Chapter for the Alliance for Progress, signed at Punta del Este. While the first 2 years of the Alliance have been beset by many difficulties, there have been some real accomplishments and its future is promising. The solidarity, very much in evidence in October of 1962, at the time of the Cuba missile crisis, is no less in evidence today. While it is true that our aid has not eliminated communism, hunger, poverty, illiteracy, disease, substandard housing, and archaic tax and

land tenure systems, our assistance has regenerated the almost devitalized hope of millions of peoples. We are still on the road toward attaining the important goals set for the Alliance for Progress in the Charter of Punta del Este, and we must still move diligently to accomplish the following most important of those goals:

1. To achieve sustained growth of per capita income and self-sustained economic growth of not less than 2.5 percent per capita per year;

2. To achieve more equitable distribution of national income and a higher proportion of the national product devoted to investment while maintaining stable price levels;

3. To achieve economic diversification, involving reduction of dependence on exports of primary products, and stabilization of export earnings; and to raise agricultural productivity as well as encourage agrarian reform;

4. To eliminate adult illiteracy and by 1970 to assure access to at least 6 years of primary education for each school-age child;

5. To improve health conditions, including the increase of life expectancy by a minimum of 5 years;

6. To increase low-cost housing construction;

7. To strengthen existing arrangements for economic integration.

The committee recognizes that multilateral agencies, including the Inter-American Development Bank, are important channels for economic assistance under appropriate circumstances. The Alliance for Progress is a hemispheric partnership. We must, therefore, preserve the freedom to use both bilateral and multilateral channels, as the circumstances indicate is best designed to achieve the objectives of the Alliance and to serve the interests of the United States.

The committee realizes that raising the standards of living of more than 200 million people even to the extent established in the minimum goals provided in the Charter of Punta del Este is not a task to be accomplished in 1 year or even a few, but, on the contrary, full attainment is going to require funds, fortitude, and finesse.

DEVELOPMENT GRANTS

1963 appropriation.....	\$100,000,000
1964 budget estimate, revised.....	100,000,000
House allowance.....	80,000,000
Committee recommendation.....	100,000,000

The committee concurs with the authorizing legislation and recommends that the funds provided herein shall be made available on a grant basis. This is a restoration of \$20 million over the House allowance for development grants under the Alliance for Progress.

DEVELOPMENT LOANS

1963 appropriation.....	\$975,000,000
1964 budget estimate, revised.....	1,060,000,000
House allowance.....	600,000,000
Committee recommendation.....	800,000,000

For development loans, the committee recommends an appropriation of \$800 million. This is \$260 million under the budget estimate and \$200 million more than the amount of \$600 million allowed by the House.

The amount of economic assistance provided through the Development Loan Fund has been steadily increasing as a percentage of total economic aid since 1961. In 1961, development loans comprised only 30 percent of total economic aid and this increased to 54 percent in 1963. In 1964, it is estimated to be almost 60 percent of the total economic assistance program.

Development loans are a major tool in the U.S. effort to assist the growth and independence of developing nations. These loans are a stimulus to the recipient country's self-help effort because of the obligation to repay incurred by the borrowing nation. Furnishing aid through loans also takes on added significance when it is realized that in the decades to come repayments will accrue to our country. Furthermore, it should be emphasized that the vast proportion of loan funds is spent predominantly in the United States for American goods and services. While slippages may occur, there is less chance of such happening in the development loan program. This is so because loans may only be made where there are reasonable prospects of repayment and where the following criteria are taken into account before a loan is made:

1. Whether financing might be partly or completely obtained from other free world sources on reasonable terms;
2. The economic and technical soundness of the proposed activity;
3. Whether the project shows reasonable promise of contributing to the development of economic resources or an increase of production capacities of the country concerned;
4. The relationship of the activity to other developmental activities and its contribution to long-range objectives;
5. The extent to which the recipient country shows a responsiveness to the economic, political, and social concerns of its people and determination to use effective self-help measures;
6. The possible effects of the proposed loan upon the U.S. economy with special reference to areas of labor surplus.

For fiscal year 1964, a major portion of the development loan funds will be allotted to India, Pakistan, Turkey, and Nigeria, all of which are demonstrating an increased capacity to utilize development assistance effectively. Development loans are also contemplated in the Far East, including the countries of the Republic of China and Korea. In Africa, in addition to Nigeria, development loans are planned for Tunisia and several other African countries, including Liberia and Tanganyika. However, notwithstanding the aid furnished African countries by the United States, the major supplier of capital for most of the African countries will be a European country and in many cases the European country will furnish technical assistance. In fact, Western European countries and international organizations are providing about twice as much economic assistance to the development countries in Africa as the United States.

The committee believes that the executive branch must continue and improve the care with which it reviews development loans, at both the programing and implementation stages, to assure conformity with the guidelines prescribed by the Congress. Therefore, the committee does not believe it is practical for detailed justification for each individual proposed development loan to be submitted in advance in connection with the fiscal year 1965 and future budgets. In

making individual loans, however, the agency must function much like a banking institution, and, as such, should not commit itself to proposed loans prematurely, before adequate review of loan applications.

AGENCY FOR INTERNATIONAL DEVELOPMENT

ADMINISTRATIVE EXPENSES

1963 appropriation.....	\$49, 500, 000
1964 budget estimate, revised.....	57, 250, 000
House allowance.....	50, 000, 000
Committee recommendation.....	54, 000, 000

The committee recommendation is \$4 million more than the House allowance of \$50 million, but is the same as the amount provided in the authorizing legislation recently enacted.

The committee believes that, in order to provide for the proper functioning of the Agency for International Development, the full amount authorized should be provided to carry on its administrative responsibilities.

STATE DEPARTMENT

ADMINISTRATIVE EXPENSES

1963 appropriation.....	\$2, 700, 000
1964 budget estimate, revised.....	3, 025, 000
House allowance.....	2, 700, 000
Committee recommendation.....	2, 700, 000

The committee concurs in the House allowance of \$2,700,000 for this item.

The funds appropriated under this title are required for principal activities in the Department of State relating to military and economic assistance programs and normal functions of the Department of State related to such programs.

MILITARY ASSISTANCE

1963 appropriation.....	\$1, 325, 000, 000
1964 budget estimate, revised.....	1, 405, 000, 000
House allowance.....	1, 000, 000, 000
Committee recommendation.....	1, 000, 000, 000

The committee concurs in the House allowance of \$1 billion for military assistance, the same amount authorized by Congress.

According to the testimony of Secretary McNamara, the military assistance program is of the greatest import. In this connection, in his testimony before the committee, he stated:

I assure you that this program is as vital to the maintenance of our total military posture as an equivalent amount in our own defense budget. Indeed, if I had had the choice, I would have taken the \$405 million reduction in our own defense budget. Our national security needs encompass more than excellence and strength in our own Military Establishment. They include measures to build free world strength everywhere.

It is trite and hackneyed to repeat in this report year after year that the military assistance program strengthens the security forces of independent nations and supports their efforts to remain free.

But after the drastic action taken by Congress when this item was considered in the authorizing legislation, it would seem that this statement cannot be repeated and emphasized too often.

The overwhelming proportion of the military assistance funds is for direct support of military objectives. Military equipment, training, and related services provided to the armed forces of allied and friendly foreign nations strengthen their ability to meet both external and internal threats to their independence. At the same time, military assistance strengthens the national defense posture of the United States.

The military assistance program also enhances the security of the United States by helping to insure continued access to those overseas installations which are essential to the effective deployment of American military strength. Facilities on foreign soil and the extension of combat-effective allied soldiers, who have received assistance under the military aid program, place the first line of the defense of the United States thousands of miles from its shores. Of no less import is the fact that the military assistance program contributes greatly to the political objectives of the United States through its training in the United States of many present and future foreign military leaders of other countries.

Through the military assistance program, byproduct benefits also enure to our country's benefit through the support of civic action and public safety programs which stress the civic responsibility of indigenous military forces, improve relations between the civil populations and their governments in the less developed countries, and contribute to the economic and social development of these countries. Since the peak year of military assistance appropriations, which was reached at the time of the Korean War and the initial buildup of the North Atlantic Treaty Organization, when a total of \$5.7 billion was made available for this purpose, the amount of military assistance has been steadily declining. Since fiscal year 1959, the appropriations have averaged \$1.5 billion a year and there has been a steady decrease in assistance to European countries because they have rebuilt and expanded their economies and are consequently increasingly able to assume responsibility for maintaining their own military establishments. However, notwithstanding the decrease in assistance to Western Europe, the military assistance program must be continued on a relatively large scale in the Far East and in the Near East and south Asia. In fact, more than 70 percent of the amount appropriated herein is for these regions of the world.

TITLE II—FOREIGN AID (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT

PEACE CORPS

1963 appropriation.....	\$59, 000, 000
1964 budget estimate, revised.....	108, 000, 000
House allowance.....	89, 000, 000
Committee recommendation.....	98, 100, 000

The committee recommends an appropriation of \$98,100,000 for the Peace Corps, which is \$9,100,000 above the House allowance. In addition, the committee has reappropriated \$3,900,000 of unobligated balances, thus making a total of \$102 million available for this pro-

gram in fiscal year 1964. The committee has also increased to \$20,300,000 the House limitation of \$19,500,000 for administrative expenses.

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

ADMINISTRATION, RYUKYU ISLANDS, ARMY

1963 appropriation.....	\$8, 900, 000
1964 budget estimate, revised.....	14, 366, 000
House allowance.....	10, 000, 000
Committee recommendation.....	10, 000, 000

The committee recommends an appropriation of \$10 million, which is the same as the House allowance. The limitation on administrative expense has been increased to \$2,300,000 which is \$300,000 more than the amount allowed by the House.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

1963 appropriation.....	\$70, 110, 000
1964 budget estimate.....	70, 000, 000
House allowance.....	¹ 6, 000, 000
Committee recommendation.....	¹ 39, 717, 137

¹ Together with the unobligated balance, \$14,082,863, of the 1963 appropriation.

The committee recommends an appropriation of \$39,717,137, a reduction of \$16,282,863 from the House allowance but which with the unobligated balance of the appropriation under this head for the fiscal year 1963 will provide the full amount, \$53,800,000, needed, the committee was advised, in fiscal year 1964.

The authorization, the Migration and Refugee Assistance Act of 1962, Public Law 87-510, provides that "Funds appropriated for the purposes of this section shall remain available until expended." The budget estimate submitted for the consideration of the Congress did not contemplate the use of unobligated balances from the 1963 appropriation, and the committees were informed the use of such funds was not proposed. The estimate did however contemplate a contingency fund to provide for increased requirements in the event regular transportation was resumed between the United States and Cuba, or for other unexpected increased activities.

Department officials notified this committee that the revised estimate of requirements was for \$53,800,000, rather than the \$56,770,000 specifically justified in the President's budget, and each of these figures contemplated the allowance of an additional \$13,230,000 as a contingency fund.

When questioned about the absolute need for the contingency fund, the Welfare Administration advised the committee that they would forego this part of the estimate, but pointed out the problem which would confront them if the assistance load exceeded expectations. However section 2(c) of the act provides not to exceed \$10 million of foreign aid funds may be transferred to this account "in order to meet unexpected urgent refugee and migration needs" which should suffice, in the event of an increased workload, pending further action by the Congress.

DEPARTMENT OF STATE

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

1963 appropriation.....	
1964 budget estimate, revised.....	\$18,374,000
House allowance.....	18,374,000
Committee recommendation.....	18,374,000

The committee concurs in the House allowance of \$18,374,000 for this item, which is the amount of a supplemental budget request for fiscal year 1964. The amount appropriated is for additional contributions to the United Nations' peacekeeping activities in the Middle East and the Congo.

MIGRATION AND REFUGEE ASSISTANCE

1963 appropriation.....	\$14,947,000
1964 budget estimate, revised.....	10,700,000
House allowance.....	10,550,000
Committee recommendation.....	10,550,000

The committee concurs in the House allowance of \$10,550,000 for this account, which is \$150,000 under the amount requested.

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

1963 appropriation.....	\$60,000,000
1964 budget estimate, revised.....	50,000,000
House allowance.....	50,000,000
Committee recommendation.....	50,000,000

The committee concurs in the House allowance of \$50 million, the budget estimate.

In addition, the committee has inserted the following proviso:

: *Provided*, That this paragraph shall be effective only upon enactment into law of authorizing legislation.

Under unanimous consent agreement in the Senate, the authorizing legislation has been deferred until January 14, 1963, and the appropriation will not be effective until the Congress has completed action on the pending bill.

SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

1963 appropriation.....	\$61,656,000
1964 budget estimate, revised.....	61,656,000
House allowance.....	61,656,000
Committee recommendation.....	61,656,000

The committee concurs in the House allowance of \$61,656,000 for this item, which is the same as the 1963 appropriation and the 1964 estimate.

Public Law 86-565, approved June 30, 1960, authorized the President to accept membership for the United States in the International Development Association with an initial subscription of \$320,290,000 payable in 5 years, and the appropriation approved in this bill represents the fourth installment of the U.S. subscription. The Inter-

national Development Association is an international organization affiliated with the International Bank for Reconstruction and Development, designed to provide development financing on flexible terms for its less-developed member countries. Membership in the Association is open to all members of the International Bank.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

LIMITATION OF OBLIGATIONAL AUTHORITY (OPERATING EXPENSES)

1963 appropriation.....	(\$1, 295, 000, 000)
1964 budget estimate, revised.....	(1, 314, 366, 000)
House allowance.....	(1, 314, 366, 000)
Committee recommendation.....	(1, 314, 366, 000)

The committee concurs in the House action in placing a limitation of \$1,314,366,000 on the program of the Export-Import Bank of Washington for fiscal year 1964.

The following amendment, which was adopted on the floor of the House, has been deleted by the committee:

None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national.

LIMITATION ON ADMINISTRATIVE EXPENSES

1963 appropriation.....	(\$3, 122, 550)
1964 budget estimate, revised.....	(3, 500, 000)
House allowance.....	(3, 500, 000)
Committee recommendation.....	(3, 500, 000)

For the limitation on administrative expenses, the committee concurs in the House allowance of \$3,500,000.

TITLE IV—LEGISLATIVE BRANCH

SENATE

The committee has included in the bill the gratuity item for the widow of the late Senator Estes Kefauver, an appropriation of \$190,000 for miscellaneous items, fiscal year 1963 and an appropriation of \$215,000 for miscellaneous items, 1964.

In addition, the committee recommends appropriations and the authorizations necessary to increase Senators' stationery allowances to \$2,400, postage to \$610, and long-distance telephone calls to and from Washington to 160 calls aggregating not more than 800 minutes a month. This adjusts senatorial allowances in a manner compatible to recent House of Representatives increases.

The following language has been included in the bill:

SENATE

For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, \$22,500.

CONTINGENT EXPENSES OF THE SENATE

MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous Items", fiscal year 1963, \$190,000.

MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous Items", \$215,000: Provided, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

POSTAGE STAMPS

For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, \$6,060: Provided, That the maximum allowance per capita of \$550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to \$610 for the fiscal year 1964 and thereafter.

STATIONERY (REVOLVING FUND)

For an additional amount for stationery, \$60,600: Provided, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum.

TITLE V—INDEPENDENT OFFICES

HISTORICAL AND MEMORIAL COMMISSIONS

The committee has made \$150,000 available for the New Jersey Tercentenary Celebration Commission. The New Jersey Tercentenary Commission was created by the Congress by the act of September 2, 1960 (74 Stat. 730) to develop and execute suitable plans for the celebration of a series of anniversaries occurring between 1959 and 1964, commemorating the 300th anniversary of the State of New Jersey. The purpose of this celebration is to emphasize to the people of our Nation and, indeed, the entire world the contribution that New Jersey had made to modern civilization, first as a colony and, later, as a State. In connection with this celebration, there is a plan to reconvene the very historic Congress of 1783 which was held in Nassau Hall in Princeton, N.J.

TITLE VI—CLAIMS AND JUDGMENTS

The committee concurs in the action of House in appropriating \$12,982,095 in Federal funds for payment of claims and judgments against the United States, and \$22,238 out of District of Columbia revenues for the payment of District of Columbia claims.

LANGUAGE PROVISIONS

DEOBLIGATION-REOBLIGATION AUTHORITY

The committee has amended the following House provision as indicated:

Unobligated balances as of June 30, 1963, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1964 for the same general purposes for which appropriated, *and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended for the same general purpose as any of the subparagraphs under "Economic Assistance", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: Provided, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.*

This authority permits the executive branch to take funds which were appropriated and obligated in fiscal year 1963 and prior years for a particular project or program (i.e., deobligate those funds) and use these funds for some other project or program (i.e., reobligate these funds). The need for the authority is confined to funds which by the terms of the appropriation act are available for obligation only during a single fiscal year (e.g., development grant, Alliance for Progress grant, and supporting assistance funds). Funds appropriated on a "no year" basis (e.g., development loan and Alliance for Progress loan funds) may be deobligated and reobligated without special authority.

By giving this authority to the executive branch, the Congress does not lose control of these funds. It exercises the same degree of control over the reuse of these funds as it does over new appropriations. In its program presentation to the committees of Congress the executive branch has estimated these deobligations (i.e., recoveries) so that projects and programs presented to Congress will in part be funded with these recoveries. The Committees of Congress have reviewed these projects and programs.

THIRD COUNTRY NATIONALS

The committee inserted the following provision in the bill:

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any project in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such project, except when such nationals or citizens of the United States are not available and qualified to perform such work.

In adding this amendment, it is the committee's intent that to the extent possible the agency charged with responsibility for financing projects shall encourage employment of U.S. citizens or nationals or those of the recipient country. In this regard, the amendment is intended to apply to persons whose services are being paid for out of aid funds.

In carrying out this amendment, the agency responsible shall ascertain only whether or not those being paid by U.S. funds are U.S. or recipient country citizens or nationals, and not whether other nationals have been employed in preparatory or ancillary work. The amendment should not be interpreted to prohibit third country nationals from being employed in connection with other projects not included within the U.S.-financed project.

This amendment is intended to apply only to future project commitments.

USE OF JAPANESE SETTLEMENT PAYMENTS

The executive branch had requested that the following new section be added to the general provisions of the bill:

United States dollars directly paid to the United States under the Agreement between the United States of America and Japan regarding the Settlement of Postwar Economic Assistance to Japan are hereby appropriated, as authorized by section 618 of the Foreign Assistance Act of 1961, as amended, for the same general purposes as are set forth in any of the subparagraphs under "Economic Assistance" in this Act except the subparagraph entitled "Administrative Expenses", to the extent such dollars are available: Provided, That the total amount so appropriated for each such general purpose shall not be increased by the provisions of this section.

While the committee is in sympathy with the objectives sought by the Japanese Government, it was felt that such language should not be written into the law since the committee does not desire to establish the precedent of earmarking, for particular purposes, receipts which normally enure to the benefit of the Treasury of the United States.

UNAUTHORIZED REPRODUCTION OF AMERICAN BOOKS AND RECORDINGS

The committee's concern, expressed in its reports several times, regarding the problem of unauthorized reproductions of American copyrighted books in Nationalist China, has been intensified by the

testimony before it this year, which indicates that this practice has not only continued, but that a similar practice with respect to American recordings is also prevalent in the country in question.

The committee deeply regrets that these circumstances prevail notwithstanding the efforts of the State Department to cause a cessation of the practices. The committee is of the opinion that the Nationalist Government of China should cooperate in an effort to recognize the rights of American publishers of books and recordings notwithstanding its registration laws, in view of the assistance this country has extended and continues to extend in its behalf.

The committee requests the State Department to continue its unrelenting efforts to protect the rights of American companies.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1963, AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1964**

TITLE I—FOREIGN AID (MUTUAL SECURITY)

Item	Appropriations, 1963	Budget esti- mates, 1964	Recommended in House bill for 1964	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1963	Budget esti- mates, 1964	House bill
FUNDS APPROPRIATED TO THE PRESIDENT							
ECONOMIC ASSISTANCE							
Development grants-----	\$225,000,000	1 \$257,000,000	150,000,000	\$175,000,000	--\$50,000,000	--\$82,000,000	+\$25,000,000
Reappropriation-----		(47,400,000)	(47,400,000)	(47,400,000)			
American schools and hospitals abroad-----		2 20,000,000	14,300,000	14,300,000	+14,300,000	--5,700,000	
American hospitals abroad (special foreign cur- rency program)-----	2,800,000	2 2,000,000	4,700,000	4,700,000	+1,900,000	+2,700,000	
Investment guarantees-----	30,000,000				--30,000,000		
International organizations and programs-----	148,900,000	3 136,050,000	100,000,000	130,903,000	--17,997,000	--5,147,000	+30,903,000
Reappropriation-----		(400,000)	(400,000)	(400,000)			
Supporting assistance-----	395,000,000	4 435,000,000	300,000,000	380,000,000	--15,000,000	--55,000,000	+80,000,000
Reappropriation-----		(6,000,000)	(6,000,000)	(6,000,000)			
Contingency fund-----	250,000,000	5 300,000,000	50,000,000	32,900,000	--217,100,000	--267,100,000	--17,100,000
Reappropriation-----		(127,100,000)	(127,100,000)	(127,100,000)			
Inter-American social and economic cooperation program-----		2 200,000,000	100,000,000	180,000,000	+180,000,000	--20,000,000	+50,000,000
Alliance for Progress, development loans-----	425,000,000		350,000,000	425,000,000		+125,000,000	+75,000,000

See footnotes at end of table. p. 25.

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964—Continued

TITLE I—FOREIGN AID (MUTUAL SECURITY)—Continued

Item	Appropriations, 1963	Budget esti- mates, 1964	Recommended in House bill for 1964	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (—), Senate bill compared with—	
					Appropriations, 1963	Budget esti- mates, 1964
FUNDS APPROPRIATED TO THE PRESIDENT—Con.						
ECONOMIC ASSISTANT—continued						
Alliance for Progress, development grants.....	\$100,000,000		\$80,000,000 (2,700,000)	\$100,000,000 (2,700,000)		+\$100,000,000
Reappropriation.....		(\$2,700,000)				
Alliance for Progress.....		\$ 650,000,000				—650,000,000
Development loans.....	975,000,000	7 1,060,000,000	600,000,000	800,000,000	—\$175,000,000	—260,000,000
Administrative expenses, AID.....	\$ 49,500,000	57,250,000 (2,000,000)	50,000,000 (2,000,000)	54,000,000 (2,000,000)	+4,500,000	—3,250,000
Reappropriation.....		3,025,000	2,700,000	2,700,000		
Administrative expenses, State.....	\$ 2,700,000	(1,100,000)	(1,100,000)	(1,100,000)	(+1,100,000)	(+1,100,000)
Surveys of investment opportunities (reappropriation).....						
Subtotal, economic assistance.....	2,603,900,000	3,120,325,000	1,801,700,000	2,299,503,000	—304,397,000	—820,822,000
MILITARY ASSISTANCE						
Military assistance.....	1,325,000,000	\$ 1,405,000,000	1,000,000,000	1,000,000,000	—325,000,000	—405,000,000
Reappropriation.....		(22,500,000)	(22,500,000)	(22,500,000)		
Limitation on administrative expenses.....	\$ (24,500,000)	(25,000,000)	(24,000,000)	(24,000,000)	(—500,000)	(—1,000,000)
Total, title I, foreign aid (mutual security).....	3,928,900,000	4,525,325,000	2,801,700,000	3,299,503,000	—629,397,000	—1,225,872,000
Reappropriation.....	(43,600,000)	(209,000,000)	(309,000,000)	(309,000,000)		
						+497,803,000

TITLE II—FOREIGN AID (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT									
Peace Corps.....	\$59,000,000	\$108,000,000	\$89,000,000	\$98,100,000	+\$39,100,000	-\$9,900,000	+\$9,100,000		
Reappropriation.....		(3,900,000)	(3,900,000)	(3,900,000)					
Limitation on administrative expenses.....	¹⁰ (15,500,000)	(30,500,000)	(19,500,000)	(30,300,000)	(+4,800,000)	(-200,000)	(+800,000)		
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS									
Ryukyu Islands, Army, administration.....	8,954,150	14,366,000	10,000,000	10,000,000	+1,045,850	-4,366,000			
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Assistance to refugees in the United States.....	70,110,000	70,000,000	56,000,000	39,717,137	-30,392,863	-30,282,863	-16,282,863		
Reappropriation.....			(14,082,863)	(14,082,863)					
DEPARTMENT OF STATE									
Contributions to International Organizations.....		11 18,374,000	18,374,000	18,374,000	+18,374,000				
Migration and refugee assistance.....	14,947,000	13 10,683,000	10,550,000	10,550,000	-4,397,000	-133,000			
FUNDS APPROPRIATED TO THE PRESIDENT									
Investment in Inter-American Development Bank.....	60,000,000	50,000,000	50,000,000	50,000,000	-10,000,000				
Subscription to the International Development Association.....	61,656,000	61,656,000	61,656,000	61,656,000					
Loans to the International Monetary Fund.....	2,000,000,000				-2,000,000,000				
Total, title II, foreign aid (other).....	2,274,667,150	333,079,000	295,580,000	288,397,137	-1,986,270,013	-44,631,863	-7,182,863		
Reappropriation.....		(3,900,000)	(17,982,863)	(17,982,863)					

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses.....	(1,295,009,000)	¹³ (\$1,314,366,000)	(\$1,314,366,000)	(\$1,314,366,000)	(+19,396,000)				
Limitation on administrative expenses.....	(3,122,550)	(3,500,000)	(3,500,000)	(3,500,000)	(+377,450)				
Total, title III, Export-Import Bank.....	(1,298,122,550)	(1,317,866,000)	(1,317,866,000)	(1,317,866,000)	(+19,743,450)				

See footnotes at end of table, p. 25.

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964—Continued

TITLE IV—LEGISLATIVE BRANCH

Item	Appropriations, 1963	Budget esti- mates, 1964	Recommended in House bill for 1964	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1963	Budget esti- mates, 1964	House bill
LEGISLATIVE BRANCH							
Senate:							
Payment to widow of deceased Senator.....				\$22,500	+\$22,500	+\$22,500	+\$22,500
Contingent expenses of the Senate:							
Miscellaneous items, 1963.....				190,000	+190,000	+190,000	+190,000
Miscellaneous items, 1964.....				215,000	+215,000	+215,000	+215,000
Postage stamps.....				6,060	+6,060	+6,060	+6,060
Stationery (revolving fund).....				60,600	+60,600	+60,600	+60,600
Total, Senate.....				494,160	+494,160	+494,160	+494,160
House of Representatives:							
Payments to widows of deceased Members.....			\$67,500	67,500	+67,500	+67,500	-----
Contingent expenses of the House:							
Miscellaneous items.....	14 \$925,000		925,000	925,000	+925,000	-----	-----
Reporting hearings.....	14 48,000		48,000	48,000	+48,000	-----	-----
Special and select committees.....	14 765,500		665,500	665,500	+665,500	-----	-----
Telegraph and telephone.....	14 515,000		515,000	515,000	+515,000	-----	-----
Stationery (revolving fund).....	14 523,200		523,200	523,200	+523,200	-----	-----
Postage stamps.....	14 91,420		91,420	91,420	+91,420	-----	-----

JOINT ITEMS	Joint Committee on Immigration and Nationality Policy.....	14 140, 460				-140, 460	
	Education of pages.....	14 2, 655	2, 655		2, 655	+2, 655	
	Total, House of Representatives.....	3, 014, 235	2, 838, 275		2, 838, 275	+2, 838, 275	
	Total, title IV, legislative branch.....	3, 014, 235	2, 838, 275		3, 332, 435	+3, 332, 435	
							+494, 160

TITLE V—INDEPENDENT OFFICES

HISTORICAL AND MEMORIAL COMMISSIONS							
New Jersey Tercentenary Celebration Commission.....		14 \$150, 000			\$150, 000	+150, 000	+150, 000

TITLE VI—CLAIMS AND JUDGMENTS

CLAIMS AND JUDGMENTS							
Federal.....		15 \$12, 982, 095	\$12, 982, 095		\$12, 982, 095	+12, 982, 095	
District of Columbia.....		15 (22, 238)	(22, 238)		(+22, 238)		
Grand total, all titles of the bill.....	\$6, 203, 567, 150	4, 874, 550, 330	3, 113, 100, 370		3, 604, 364, 667	-2, 599, 202, 483	-\$1, 270, 185, 663

1 Reflects reduction of \$18,000,000 contained in H. Doc. 101.
2 Contained in H. Doc. 101.
3 Reflects reduction of \$45,200,000 contained in H. Doc. 101.
4 Contains increase of \$38,000,000 contained in H. Doc. 101.
5 Reflects reduction of \$100,000,000 contained in H. Doc. 101.
6 Reflects reduction of \$50,000,000 contained in H. Doc. 101.
7 Reflects reduction of \$188,000,000 contained in H. Doc. 101.
8 Excludes Pay Act costs, derived by transfer from "Economic assistance" and "Military assistance" appropriations.
9 Reflects reduction of \$75,000,000 contained in H. Doc. 101.
10 Excludes Pay Act costs derived by transfer from "Peace Corps" appropriation.
11 Contained in H. Doc. 174.
12 Reflects reduction of \$1,117,000 contained in H. Doc. 83.
13 No specific limitation proposed; amount shown is proposed program.
14 Included in H. Doc. 174.
15 Contained in H. Doc. 182.



Calendar No. 766

88TH CONGRESS
1ST SESSION

H. R. 9499

[Report No. 785]

IN THE SENATE OF THE UNITED STATES

DECEMBER 17, 1963

Read twice and referred to the Committee on ~~Agriculture and Forestry~~ *Appropriations*

DECEMBER 17, 1963

Reported, under authority of the order of the Senate of February 11, 1963,
by Mr. HAYDEN, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for Foreign Aid and related agencies
for the fiscal year ending June 30, 1964, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1964, namely:

6 TITLE I—FOREIGN AID (MUTUAL SECURITY)

7 FUNDS APPROPRIATED TO THE PRESIDENT

8 For expenses necessary to enable the President to carry
9 out the provisions of the Foreign Assistance Act of 1961,
10 as amended, to remain available until June 30, 1964, unless
11 otherwise specified herein, as follows:

1 ECONOMIC ASSISTANCE

2 Development grants: For expenses authorized by sec-
3 tion 212, ~~\$150,000,000~~ \$175,000,000.

4 American schools and hospitals abroad: For expenses
5 authorized by section 214 (c) , \$14,300,000.

6 American hospitals *and schools* abroad (special foreign
7 currency program) : For expenses authorized by section
8 214 (c) for hospital construction, \$4,700,000 to be used to
9 purchase foreign currencies which the Treasury Department
10 determines to be excess to the normal requirements of the
11 United States.

12 International organizations and programs: For expenses
13 authorized by section 302, ~~\$100,000,000~~ \$130,903,000.

14 Supporting assistance: For expenses authorized by sec-
15 tion 402, ~~\$300,000,000~~ \$380,000,000.

16 Contingency fund: For expenses authorized by section
17 451 (a) , ~~\$50,000,000~~ \$32,900,000.

18 Inter-American social and economic cooperation pro-
19 gram: For expenses authorized by section 2 of the ~~Act of~~
20 ~~September 8, 1960~~ *Latin American Development Act* (74
21 Stat. 870) , as amended, ~~\$100,000,000~~ \$180,000,000, to
22 remain available until expended.

23 Alliance for Progress, development loans: For assistance
24 authorized by section 252, ~~\$350,000,000~~ \$425,000,000, to
25 remain available until expended.

1 Alliance for Progress, development grants: For expenses
2 authorized by section 252, ~~\$80,000,000~~ \$100,000,000.

3 Development loans: For expenses authorized by section
4 202 (a), ~~\$600,000,000~~ \$800,000,000, to remain available
5 until expended: *Provided*, That no part of this appropriation
6 may be used to carry out the provisions of section 205 of
7 the Foreign Assistance Act of 1961, as amended.

8 Administrative expenses: For expenses authorized by
9 section 637 (a), ~~\$50,000,000~~ \$54,000,000.

10 Administrative and other expenses: For expenses
11 authorized by section 637 (b) of the Foreign Assistance Act
12 of 1961, as amended, and by section 305 of the Mutual De-
13 fense Assistance Control Act of 1951, as amended,
14 \$2,700,000.

15 Unobligated balances as of June 30, 1963, of funds
16 heretofore made available under the authority of the Foreign
17 Assistance Act of 1961, as amended, except as otherwise
18 provided by law, are hereby continued available for the fiscal
19 year 1964 for the same general purposes for which
20 appropriated *and amounts certified pursuant to section 1311*
21 *of the Supplemental Appropriation Act, 1955, as having been*
22 *obligated against appropriations heretofore made under the*
23 *authority of the Mutual Security Act of 1954, as amended,*
24 *and the Foreign Assistance Act of 1961, as amended, for*
25 *the same general purpose as any of the subparagraphs under*

1 *“Economic Assistance”*, are hereby continued available for the
2 *same period as the respective appropriations in such subpara-*
3 *graphs for the same general purpose: Provided, That such*
4 *purpose relates to a project or program previously justified to*
5 *Congress and the Committees on Appropriations of the House*
6 *of Representatives and the Senate are notified prior to the*
7 *reobligation of funds for such projects or programs.*

8 MILITARY ASSISTANCE

9 Military assistance: For expenses authorized by section
10 504 (a) of the Foreign Assistance Act of 1961, as amended,
11 including administrative expenses authorized by section 636
12 (g) (1) of such Act, which shall not exceed \$24,000,000
13 for the current fiscal year, and purchase of passenger motor
14 vehicles for replacement only for use outside the United
15 States: *Provided*, That none of the funds contained in this
16 paragraph shall be available for the purchase of new auto-
17 motive vehicles outside of the United States, \$1,000,000,000.

18 GENERAL PROVISIONS

19 SEC. 101. None of the funds herein appropriated (other
20 than funds appropriated under the authorization for “Inter-
21 national organizations and programs”) shall be used to
22 finance the construction of any new flood control, reclama-
23 tion, or other water or related land resource project or pro-
24 gram which has not met the standards and criteria used in
25 determining the feasibility of flood control, reclamation and

1 other water and related land resource programs and projects
2 proposed for construction within the United States of
3 America as per memorandum of the President dated May
4 15, 1962.

5 SEC. 102. Obligations made from funds herein appro-
6 priated for engineering and architectural fees and services
7 to any individual or group of engineering and architectural
8 firms on any one project in excess of \$25,000 shall be re-
9 ported to the Committees on Appropriations of the Senate
10 and House of Representatives at least twice annually.

11 SEC. 103. Except for the appropriations entitled "Con-
12 tingency fund" and "Development loans", not more than
13 20 per centum of any appropriation item made available
14 by this title shall be obligated and/or reserved during the
15 last month of availability.

16 SEC. 104. None of the funds herein appropriated nor
17 any of the counterpart funds generated as a result of assist-
18 ance hereunder or any prior Act shall be used to pay
19 pensions, annuities, retirement pay or adjusted service com-
20 pensation for any persons heretofore or hereafter serving in
21 the armed forces of any recipient country.

22 SEC. 105. The Congress hereby reiterates its opposition
23 to the seating in the United Nations of the Communist China
24 regime as the representative of China, and it is hereby de-
25 clared to be the continuing sense of the Congress that the

1 Communist regime in China has not demonstrated its willing-
2 ness to fulfill the obligations contained in the Charter of the
3 United Nations and should not be recognized to represent
4 China in the United Nations. In the event of the seating of
5 representatives of the Chinese Communist regime in the
6 Security Council or General Assembly of the United Nations
7 the President is requested to inform the Congress insofar as
8 is compatible with the requirements of national security, of
9 the implications of this action upon the foreign policy of the
10 United States and our foreign relationships, including that
11 created by membership in the United Nations, together with
12 any recommendations which he may have with respect to
13 the matter.

14 SEC. 106. It is the sense of Congress that any attempt
15 by foreign nations to create distinctions because of their race
16 or religion among American citizens in the granting of per-
17 sonal or commercial access or any other rights otherwise
18 available to United States citizens generally is repugnant
19 to our principles; and in all negotiations between the United
20 States and any foreign state arising as a result of funds ap-
21 propriated under this title these principles shall be applied
22 as the President may determine.

23 SEC. 107. (a) No assistance shall be furnished under the
24 Foreign Assistance Act of 1961, as amended, to any country
25 which sells, furnishes, or permits any ships under its registry

1 to carry to Cuba, so long as it is governed by the Castro
2 regime, in addition to those items contained on the list main-
3 tained by the Administrator pursuant to title I of the Mutual
4 Defense Assistance Control Act of 1951, as amended, any
5 arms, ammunition, implements of war, atomic energy mate-
6 rials, or any other articles, materials, or supplies of primary
7 strategic significance used in the production of arms, ammu-
8 nition, and implements of war or of strategic significance to
9 the conduct of war, including petroleum products.

10 (b) No economic assistance shall be furnished under
11 the Foreign Assistance Act of 1961, as amended, to any
12 country which sells, furnishes, or permits any ships under
13 its registry to carry items of economic assistance to Cuba, so
14 long as it is governed by the Castro regime, unless the Presi-
15 dent determines that the withholding of such assistance would
16 be contrary to the national interest and reports such deter-
17 mination to the Foreign Relations and Appropriations Com-
18 mittees of the Senate and the Foreign Affairs and Appropria-
19 tions Committees of the House of Representatives. Reports
20 made pursuant to this subsection shall be published in the
21 Federal Register within seven days of submission to the
22 committees and shall contain a statement by the President
23 of the reasons for such determination.

24 SEC. 108. Any obligation made from funds provided in
25 this title for procurement outside the United States of any

1 commodity in bulk and in excess of \$100,000 shall be
2 reported to the Committees on Appropriations of the Senate
3 and the House of Representatives at least twice annually:
4 *Provided*, That each such report shall state the reasons for
5 which the President determined, pursuant to criteria set forth
6 in section 604 (a) of the Foreign Assistance Act of 1961,
7 as amended, that foreign procurement will not adversely
8 affect the economy of the United States.

9 SEC. 109. (a) No assistance shall be furnished to any
10 nation, whose government is based upon that theory of
11 government known as communism under the Foreign As-
12 sistance Act of 1961, as amended, for any arms, ammunition,
13 implements of war, atomic energy materials, or any articles,
14 materials, or supplies, such as petroleum, transportation
15 materials of strategic value, and items of primary strategic
16 significance used in the production of arms, ammunition, and
17 implements of war, contained on the list maintained by the
18 Administrator pursuant to title I of the Mutual Defense
19 Assistance Control Act of 1951, as amended.

20 (b) No economic assistance shall be furnished to any
21 nation whose government is based upon that theory of gov-
22 ernment known as communism under the Foreign Assistance
23 Act of 1961, as amended (except section 214 (b)), unless
24 the President determines that the withholding of such assist-
25 ance would be contrary to the national interest and reports

1 such determination to the Foreign Affairs and Appropria-
2 tions Committees of the House of Representatives and
3 Foreign Relations and Appropriations Committees of the
4 Senate. Reports made pursuant to this subsection shall be
5 published in the Federal Register within seven days of sub-
6 mission to the committees and shall contain a statement by
7 the President of the reasons for such determination.

8 SEC. 110. None of the funds appropriated or made
9 available pursuant to this Act for carrying out the Foreign
10 Assistance Act of 1961, as amended, may be used for mak-
11 ing payments on any contract for procurement to which the
12 United States is a party entered into after the date of enact-
13 ment of this Act which does not contain a provision authoriz-
14 ing the termination of such contract for the convenience of
15 the United States.

16 SEC. 111. None of the funds appropriated or made
17 available under this Act for carrying out the Foreign Assist-
18 ance Act of 1961, as amended, may be used to make pay-
19 ments with respect to any contract for the performance of
20 services outside the United States by United States citizens
21 where such citizens have not been investigated for loyalty
22 and security in the same manner and to the same extent as
23 would apply if they were regularly employed by the United
24 States.

1 SEC. 112. None of the funds appropriated or made
2 available under this Act for carrying out the Foreign Assist-
3 ance Act of 1961, as amended, may be used to make pay-
4 ments with respect to any capital project financed by loans
5 or grants from the United States where the United States
6 has not directly approved the terms of the contracts and the
7 firms to provide engineering, procurement, and construction
8 services on such project.

9 SEC. 113. Of the funds appropriated or made available
10 pursuant to this Act not more than \$6,000,000 may be used
11 during the fiscal year ending June 30, 1964, in carrying out
12 section 241 of the Foreign Assistance Act of 1961, as
13 amended.

14 SEC. 114. None of the funds appropriated or made
15 available pursuant to this Act for carrying out the Foreign
16 Assistance Act of 1961, as amended, may be used to pay in
17 whole or in part any assessments, arrearages or dues of any
18 member of the United Nations.

19 SEC. 115. Foreign currencies not to exceed \$200,000,
20 made available for loans pursuant to section 104 (e) of the
21 Agricultural Trade Development and Assistance Act of
22 1954, as amended, shall be available during the current
23 fiscal year for expenses incurred incident to such loans.

24 SEC. 116. None of the administrative expense or other
25 funds herein appropriated shall be available in connection

1 with the use of receipts of United States dollars, derived from
2 loan repayments and interest collections, in the Development
3 Loan Fund and Alliance for Progress revolving funds.

4 SEC. 117. Receipts of United States dollars in the
5 Development Loan Fund and Alliance for Progress revolving
6 funds, derived from loan repayments and interest collections,
7 may hereafter, when so specified in appropriation Acts, be
8 used for the purposes for which such revolving funds are
9 available.

10 SEC. 118. *None of the funds made available by this*
11 *Act for carrying out the Foreign Assistance Act of 1961,*
12 *as amended, may be used for the financing, in whole or in*
13 *part, of any project in any foreign country where persons*
14 *other than nationals of such country or citizens of the*
15 *United States will be employed to perform any work in*
16 *connection with such project, except when such nationals*
17 *or citizens of the United States are not available and qualified*
18 *to perform such work.*

19 TITLE II—FOREIGN AID (OTHER)

20 FUNDS APPROPRIATED TO THE PRESIDENT

21 PEACE CORPS

22 For expenses necessary to enable the President to carry
23 out the provisions of the Peace Corps Act (75 Stat. 612),
24 as amended, including purchase of not to exceed five pas-
25 senger motor vehicles for use outside the United States,

1 ~~\$89,000,000~~ \$98,100,000, together with the unobligated
 2 balance of the appropriation under this head for the
 3 fiscal year 1963, of which not to exceed \$19,500,000
 4 \$20,300,000 shall be available for administration and pro-
 5 gram support costs.

6 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

7 RYUKYU ISLANDS, ARMY

8 ADMINISTRATION

9 For expenses, not otherwise provided for, necessary to
 10 meet the responsibilities and obligations of the United States
 11 in connection with the government of the Ryukyu Islands,
 12 as authorized by the Act of July 12, 1960 (74 Stat. 461),
 13 as amended (76 Stat. 742); services as authorized by sec-
 14 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-
 15 viduals not to exceed ten in number; not to exceed \$4,000
 16 for contingencies for the High Commissioner, to be expended
 17 in his discretion; hire of passenger motor vehicles and air-
 18 craft; purchase of six passenger motor vehicles, of which four
 19 shall be for replacement only; and construction, repair, and
 20 maintenance of buildings, utilities, facilities, and appurte-
 21 nances; \$10,000,000, of which not to exceed \$2,000,000
 22 \$2,300,000 shall be available for administrative and informa-
 23 tion expenses, and \$2,000,000 shall be available for transfer to
 24 the Ryukyu Domestic Water Corporation for construction of
 25 a portion of the integrated island water system: *Provided,*

1 That expenditures from this appropriation may be made
2 outside continental United States when necessary to carry
3 out its purposes, without regard to sections 355 and 3648,
4 Revised Statutes, as amended, section 4774 (d) of title 10,
5 United States Code, civil service or classification laws, or
6 provisions of law prohibiting payment of any person not
7 a citizen of the United States: *Provided further*, That
8 funds appropriated hereunder may be used, insofar as prac-
9 ticable, and under such rules and regulations as may be
10 prescribed by the Secretary of the Army to pay ocean trans-
11 portation charges from United States ports, including terri-
12 torial ports, to ports in the Ryukyus for the movement of
13 supplies donated to, or purchased by, United States voluntary
14 nonprofit relief agencies registered with and recommended by
15 the Advisory Committee on Voluntary Foreign Aid or of
16 relief packages consigned to individuals residing in such
17 areas: *Provided further*, That the President may transfer
18 to any other department or agency any function or functions
19 provided for under this appropriation, and there shall be
20 transferred to any such department or agency, without reim-
21 bursement and without regard to the appropriation from
22 which procured, such property as the Director of the Bureau
23 of the Budget shall determine to relate primarily to any
24 function or functions so transferred.

1 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
2 ASSISTANCE TO REFUGEES IN THE UNITED STATES

3 For expenses necessary to carry out the provisions of
4 the Migration and Refugee Assistance Act of 1962 (Public
5 Law 87-510), relating to aid to refugees within the United
6 States, including hire of passenger motor vehicles, and serv-
7 ices as authorized by section 15 of the Act of August 2, 1946
8 (5 U.S.C. 55a), ~~\$56,000,000~~ \$39,717,137, together with
9 the unobligated balance of the appropriation under this head
10 for the fiscal year 1963.

11 DEPARTMENT OF STATE
12 INTERNATIONAL ORGANIZATIONS AND CONFERENCES
13 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

14 For an additional amount for "Contributions to inter-
15 national organizations", \$18,374,000.

16 MIGRATION AND REFUGEE ASSISTANCE

17 For expenses, not otherwise provided for, necessary to
18 enable the Secretary of State to provide assistance to refu-
19 gees, as authorized by law, including contributions to the
20 Intergovernmental Committee for European Migration and
21 the United Nations High Commissioner for Refugees;
22 salaries, expenses, and allowances of personnel and depend-
23 ents as authorized by the Foreign Service Act of 1946, as
24 amended (22 U.S.C. 801-1158); hire of passenger motor
25 vehicles; and services as authorized by section 15 of the Act

1 of August 2, 1946 (5 U.S.C. 55a) ; \$10,550,000: *Provided,*
2 That no funds herein appropriated shall be used to assist
3 directly in the migration to any nation in the Western
4 Hemisphere of any person not having a security clearance
5 based on reasonable standards to insure against Communist
6 infiltration in the Western Hemisphere.

7 FUNDS APPROPRIATED TO THE PRESIDENT

8 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

9 For payment of subscriptions to the Inter-American De-
10 velopment Bank for expansion of the Fund for Special
11 Operations. \$50,000,000, to remain available until expended:
12 *Provided, That this paragraph shall be effective only upon*
13 *enactment into law of authorizing legislation.*

14 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

15 ASSOCIATION

16 For payment of the fourth installment of the subscription
17 of the United States to the International Development Asso-
18 ciation, \$61,656,000, to remain available until expended.

19 TITLE III—EXPORT-IMPORT BANK OF

20 WASHINGTON

21 The Export-Import Bank of Washington is hereby
22 authorized to make such expenditures within the limits of
23 funds and borrowing authority available to such corporation,
24 and in accord with law, and to make such contracts and com-
25 mitments without regard to fiscal year limitations as provided

1 by section 104 of the Government Corporation Control Act,
2 as amended, as may be necessary in carrying out the pro-
3 grams set forth in the budget for the current fiscal year for
4 such corporation, except as hereinafter provided:

5 LIMITATION ON OPERATING EXPENSES

6 Not to exceed \$1,314,366,000 (of which not to exceed
7 \$963,500,000 shall be for development loans) shall be au-
8 thorized during the current fiscal year for other than admin-
9 istrative expenses.

10 LIMITATION ON ADMINISTRATIVE EXPENSES

11 Not to exceed \$3,500,000 (to be computed on an
12 accrual basis) shall be available during the current fiscal
13 year for administrative expenses, including services as au-
14 thorized by section 15 of the Act of August 2, 1946 (5
15 U.S.C. 55a), at rates not to exceed \$75 per diem for indi-
16 viduals, purchase of one passenger motor vehicle (for
17 replacement only) at not to exceed \$3,000, and not to
18 exceed \$9,000 for entertainment allowances for members of
19 the Board of Directors: *Provided*, That (1) fees or dues to
20 international organizations of credit institutions engaged in
21 financing foreign trade, (2) necessary expenses (including
22 special services performed on a contract or fee basis, but not
23 including other personal services) in connection with the
24 acquisition, operation, maintenance, improvement, or disposi-
25 tion of any real or personal property belonging to the Bank

or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered at nonadministrative expenses for the purposes hereof.

None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national.

TITLE IV—LEGISLATIVE BRANCH

SENATE

For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, \$22,500.

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous Items

For an additional amount for "Miscellaneous items", fiscal year 1963, \$190,000.

1 Miscellaneous Items

2 For an additional amount for "Miscellaneous items",
3 \$215,000: Provided, That effective January 1, 1964, the
4 paragraph relating to official long-distance telephone calls to
5 and from Washington, District of Columbia, under the
6 heading "Contingent Expenses of the Senate" in Public Law
7 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended,
8 is amended by striking out the words "one hundred and
9 twenty" and inserting in lieu thereof "one hundred and sixty"
10 and by striking out the words "six hundred" and inserting in
11 lieu thereof "eight hundred".

12 *Postage Stamps*

13 For an additional amount for air mail and special
14 delivery stamps for Senators and the President of the Senate,
15 \$6,060: Provided, That the maximum allowance per capita
16 of \$550 for air mail and special delivery stamps for Senators
17 and the President of the Senate is increased to \$610 for the
18 fiscal year 1964 and thereafter.

Stationery (Revolving Fund)

20 *For an additional amount for stationery, \$60,600: Pro-*
21 *vided, That commencing with the fiscal year 1964 and there-*
22 *after the allowance for stationery for each Senator and the*
23 *President of the Senate shall be at the rate of \$2,400 per*
24 *annum.*

HOUSE OF REPRESENTATIVES

For payment to Mae Doyle Walter, widow of Francis E. Walter, late a Representative from the State of Pennsylvania, \$22,500.

For payment to Clara H. Nygaard, widow of Hjalmar C. Nygaard, late a Representative from the State of North Dakota, \$22,500.

For payment to Susan G. Gavin, widow of Leon H. Gavin, late a Representative from the State of Pennsylvania, \$22,500.

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous Items

For an additional amount for "Miscellaneous items", \$925,000.

Reporting Hearings

For an additional amount for "Reporting hearings", \$48,000.

Special and Select Committees

For an additional amount for "Special and select committees", \$665,500.

Telegraph and Telephone

For an additional amount for "Telegraph and telephone", \$515,000.

1 Stationery (Revolving Fund)

2 For an additional amount for “Stationery (revolving
3 fund)”, to remain available until expended: first session of
4 the Eighty-eighth Congress, \$261,600; second session of the
5 Eighty-eighth Congress, \$261,600.

6 Postage Stamps

7 For an additional amount for “Postage stamps”, to re-
8 main available until expended: first session of the Eighty-
9 eighth Congress, \$45,710; second session of the Eighty-
10 eighth Congress, \$45,710.

11 JOINT ITEMS

12 Education of Pages

13 For an additional amount for “Education of pages”,
14 \$2,655, which amount shall be advanced and credited to the
15 applicable appropriation of the District of Columbia.

16 *TITLE V—INDEPENDENT OFFICES*

17 *HISTORICAL AND MEMORIAL COMMISSIONS*

18 *NEW JERSEY TERCENTENARY CELEBRATION COMMISSION*

19 *For expenses necessary to carry out the provisions of the*
20 *Act of September 2, 1960 (74 Stat. 730), including trans-*
21 *portation and entertainment of participants, \$150,000, to*
22 *remain available until expended.*

TITLE VI—CLAIMS AND JUDGMENT

FEDERAL FUNDS

CLAIMS AND JUDGMENTS

For payment of claims as settled and determined by departments and agencies in accord with law, and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in House Document Numbered 182, Eighty-eighth Congress, \$12,982,095, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act.

DISTRICT OF COLUMBIA FUNDS

SETTLEMENT OF CLAIMS AND SUITS

For the payment of claims in excess of \$250, approved by the Commissioners in accordance with the provisions of the Act of February 11, 1929, as amended (45 Stat. 1160; 46 Stat. 500; 65 Stat. 131), \$22,238, which shall be payable from the general fund of the District of Columbia.

TITLE ~~VI~~ VII—GENERAL PROVISIONS

SEC. ~~601~~ 701. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. ~~602~~ 702. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control

1 of the Inspector General, Foreign Assistance, relating to any
2 review, inspection, or audit arranged for, directed, or con-
3 ducted by him, unless and until there has been furnished to
4 the General Accounting Office or to such committee or sub-
5 committee, as the case may be, (A) the document, paper,
6 communication, audit, review, finding, recommendation, re-
7 port, or other material so requested or (B) a certification by
8 the President, personally, that he has forbidden the furnish-
9 ing thereof pursuant to such request and his reason for so
10 doing.

11 SEC. ~~603~~ 703. Appropriations and other funds made
12 available in acts making appropriations for the fiscal year
13 ending June 30, 1964, shall be reserved and withheld from
14 obligation through the apportionment procedure prescribed
15 by law (31 U.S.C. 665) to the maximum extent possible, as
16 determined by the Director of the Bureau of the Budget, on
17 account of savings arising from enactment of any such acts
18 after the beginning of such fiscal year. Nothing herein shall
19 be construed to limit existing authority of law for reserving
20 appropriations.

21 SEC. ~~604~~ 704. No part of any appropriation contained
22 in this Act shall be used to conduct or assist in conducting
23 any program (including but not limited to the payment of

1 salaries, administrative expenses, and the conduct of research
2 activities) related directly or indirectly to the establishment
3 of a national service corps or similar domestic peace corps
4 type of program.

5 This Act may be cited as the “Foreign Aid and Related
6 Agencies Appropriation Act, 1964”.

Passed the House of Representatives December 16, 1963.

Attest: RALPH R. ROBERTS,
Clerk.

88TH CONGRESS
1ST SESSION

H. R. 9499

[Report No. 785]

AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

DECEMBER 17, 1963

Read twice and referred to the Committee on Appropriations

DECEMBER 17, 1963

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 19, 1963
For actions of Dec. 18, 1963
88th-1st, No. 209

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HIGHLIGHTS: Senate debated foreign aid appropriation bill. Sen. Mundt defended his amendment to prohibit extension of credit for Russian commodity purchases. Sen. McGovern commended advisory committee endorsement of voluntary wheat plan. Several Senators expressed concern over effects of meat imports. Sen. Javits commended new shipping regulations on trade with Cuba. Sen. McGovern criticized recent attacks on REA. Rep. Nelsen criticized USDA position on meat imports. Both Houses agreed to conference report on State-Justice-Commerce appropriation bill. Sen. Keating introduced and discussed bill to coordinate Federal actions in depressed areas.

SENATE

1. FOREIGN AID APPROPRIATION BILL, 1964. Began debate on this bill, H.R. 9499 (pp. 23750-1, 23771, 23823-38, 23843-4). The bill was reported ^{Dec. 17} earlier with amendments by the Appropriations Committee (S. Rept. 785)(p. 23750). As reported, the committee recommended deletion of the House amendment providing that none of the funds in the bill shall be used by the Export-Import Bank to guarantee payment of any obligation incurred by any Communist country in connection with the purchase of any product (including wheat). Agreed to a unanimous-consent agreement providing for a vote on the bill today, Dec. 19 (p. 23827). Sen. Mundt spoke in support of retention of the House amendment prohibiting the guarantee of credit on Russian commodity purchases (pp.23844-5).
2. MEAT IMPORTS. Several Senators expressed concern over the effects of meat imports on the domestic livestock industry and urged that action be taken to limit these imports. pp. 23773, 23807-13

3. WATER RESOURCES; RIVER BASINS. Agreed to the conference report on H. R. 8667 to authorize additional appropriations for the prosecution of comprehensive plans for certain river basins, and receded from its amendment in disagreement relative to the Knowles Dam and Reservoir, Mont. This bill will now be sent to the President. pp. 23788-9
4. LEGISLATIVE APPROPRIATION BILL, 1964. Agreed to the conference report on this bill, H. R. 6868, and acted on the amendments in disagreement. This bill will now be sent to the President. pp. 23839-43
5. ELECTRIFICATION. Sen. McGovern criticized recent attacks on REA and inserted a speech by Sen. McGee defending the REA program in which he urged "every person interested in the broad principle of the REA to stop taking this development for granted and start fighting for its preservation." pp. 23862-4
6. FOREIGN TRADE. Sen. Keating stated that "the new shipping regulations announced with respect to Cuba are a step in the right direction," and suggested stronger measures for an economic blockade of Cuba. pp. 23852-4
Sen. Javits commended the issuance of an Executive order establishing the Interagency Committee on Export Expansion. p. 23775
7. WHEAT. Sen. McGovern commended the announcement "that the National Advisory Committee on Feed Grains and Wheat has endorsed a voluntary wheat program, financed through a system of marketing certificates - a voluntary wheat certificate plan," and inserted a release by the Department on the subject. pp. 23861-2
8. COMMITTEE ACTIVITIES. Chairmen for several committees, including the Agriculture and Forestry Committee, reviewed accomplishments of the committees during this session of Congress. pp. 23775-84
9. BUDGET. Sen. Fulbright inserted a letter stating that "the actual fiscal situation has improved a good deal since last January" and that "nothing else could so effectively remove the uncertainties hanging over the business situation than for Congress to cooperate with the new President in bringing long-awaited tax relief to the American people." pp. 23870-1
10. EDUCATION. Sen. Morse inserted informational materials concerning the Higher Education Facilities Act of 1963 including a summary of the provisions of the Act and the President's remarks when it was signed. pp. 23885-8
Sen. Morse inserted a speech favoring the Vocational Education Act. pp. 23888-90
11. FARM LABOR. Sen. Williams (N.J.) inserted two articles, "Migrant Health Act - Progress Report" and "Medical Plight of Coast Migrants - I: Health Prospects of 250,000 Brightened by Federal Grant." pp. 23891-3
12. FORESTRY. Received the report of the National Forest Reservation Commission for the fiscal year ended June 30, 1963 (S. Doc. 48). p. 23751
13. RECREATION. The Interior and Insular Affairs Committee reported with amendments S. 792, to establish in Mich. the Sleeping Bear Dunes National lakeshore (S. Rept. 810). p. 23752
14. STOCKPILE. Sen. Byrd, Va., inserted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on federal stockpile

authorizing an appropriation therefor, and for other purposes; without amendment (Rept. No. 1060). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H.R. 7332. A bill granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes; with amendment (Rept. No. 1061). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. H.R. 8853. A bill to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs; without amendment (Rept. No. 1062). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 9515. A bill to amend the Tariff Act of 1930 to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas; to the Committee on Ways and Means.

By Mr. TAFT:

H.R. 9516. A bill to provide for the medical and hospital care of the aged through a

system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 9517. A bill for the relief of Margherita Di Matteo; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 9518. A bill for the relief of Mrs. Gertrude Gimnichner; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 9519. A bill for the relief of Young Soon Kim and Tai Ung Chol; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

540. By the SPEAKER: Petition of Ingrid E. Laws, secretary, Windham County Democratic Association, Canterbury, Conn., to declare November 22 as President Kennedy Memorial Day; to the Committee on the Judiciary.

541. Also, petition of Floyd G. Marcusson, president, Bellflower Democratic Club, Bellflower, Calif., to change the method of de-

termining chairmen to a method which would assure chairmanships in the hands of those who support party policy and work for its speedy enactment into laws; to the Committee on Rules.

542. Also, petition of Floyd G. Marcusson, president, Bellflower Democratic Club, Bellflower, Calif., relative to going on record as approving the passage of a bill providing for adequate hospital and medical care; to the Committee on Ways and Means.

543. Also, petition of Henry Stoner, Avon Park, Fla., relative to printing certain material in the CONGRESSIONAL RECORD Appendix relating to the tax bill, H.R. 8363; to the Committee on House Administration.

544. Also, petition of Henry Stoner, Avon Park, Fla., requesting that the members on the Joint Committee on Printing try and improve the format of the CONGRESSIONAL RECORD; to the Committee on House Administration.

545. Also, petition of Henry Stoner, Avon Park, Fla., to require the American Printing House for the Blind, Louisville, Ky., to select one representative copy each week of the CONGRESSIONAL RECORD to be printed in braille, and then to be made available for distribution to all the English-reading blind anywhere in the world; to the Committee on House Administration.

546. Also, petition of Henry Stoner, Avon Park, Fla., to have the House Committee on Ways and Means publish a document showing the amounts of money received from each State "for the use of the Treasury of the United States" from various State taxes; to the Committee on Ways and Means.

Senate

WEDNESDAY, DECEMBER 18, 1963

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God: In times of stillness, such as this hallowed moment, as we pause in the midst of rushing cares, we hear—like bells at evening pealing—the call of the better angels of our nature: we come seeking wide horizons around our noisy lives. 'Midst all the busy shuttles of legislation, as here is woven the fabric of law and order, shielding the life of our democracy and of free peoples everywhere, may we not be so enmeshed in the immediate mechanics of our solemn tasks as to lose sight of the total pattern shown in the mount of vision.

We are grateful that, once more, over an earth grown old with its burden of care, the voice of the Christ Child rings out, with its cheer that mankind are the children of God. May we realize with a new urgency that He does not stay in a manger, but that He walks in our world of pretense and greed and self-seeking, and that where He goes the judgment of God goes with Him. Bending low through the gate of the child heart, may we find the simplicity, the freedom, and the truth that sword and tongue and pen can never give. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, December 17, 1963, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of February 11, 1963,

Mr. HAYDEN, from the Committee on Appropriations, on December 17, 1963, reported favorably, with amendments, the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, and submitted a report (No. 785) thereon, which was printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

- S. 212. An act for the relief of Yoo Sei Chun;
- S. 697. An act for the relief of Misako Moriya;
- S. 966. An act for the relief of Yukio Iseri;
- S. 1097. An act for the relief of Despina J. Santos;

S. 1129. An act for the relief of Thomas B. Bollers and Earlene Bollers;

S. 1172. An act to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518;

S. 1269. An act for the relief of the Arizona Milling Co., of Phoenix, Ariz.;

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas;

S. 1516. An act for the relief of Ana Murgelj;

S. 1570. An act for the relief of Dulcie Ann Steinhardt Sherlock;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 2228. An act to change the requirements for the annual meeting date for national banks;

S. 2275. An act to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; and

S. 2364. An act to provide that the Commission on the Disposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 1289) for the relief of Maria Merghetti (Mother Benedetta) and Annunziata Colombo (Mother Cherubina).

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House.

H.R. 2985. An act to amend section 1391 of title 28 of the United States Code, relating to venue generally; and

H.R. 4062. An act to amend the act authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande to authorize the Secretary of the Interior to also market power generated at Amistad Dam on the Rio Grande.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8667) authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins, and that the House insisted upon its disagreement to the amendment of the Senate numbered 26 to the bill.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unanimous-consent agreement of yesterday, covering House bill 2664, to amend section 6(o) of the Universal Military Train-

ing and Service Act, to provide a certain exemption, be temporarily laid aside.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 766, House bill 9499, and that it be made the pending business.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. Without objection, it is so ordered.

The Senate proceeded to consider the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which had been reported from the Committee on Appropriations, with amendments, on page 2, line 3, after "section 212", to strike out "\$150,000,000" and insert "\$175,000,000". On page 2, line 6, after the word "hospitals", to insert "and schools", and in line 8, after "section 214(c)", to strike out "for hospital construction,".

On page 2, line 13, after "section 302", to strike out "\$100,000,000" and insert "\$130,903,000".

On page 2, line 15, after "section 402", to strike out "\$300,000,000" and insert "\$380,000,000".

On page 2, line 17, after "section 451 (a)", to strike out "\$50,000,000" and insert "\$32,900,000".

On page 2, line 19, after the word "the", to strike out "Act of September 8, 1960" and insert "Latin American Development Act", and in line 21, after the word "amended", to strike out "\$100,000,000" and insert "\$180,000,000".

On page 2, line 24, after "section 252", to strike out "\$350,000,000" and insert "\$425,000,000".

On page 3, line 2, after "section 252", to strike out "\$80,000,000" and insert "\$100,000,000".

On page 3, line 4, after "section 202(a)", to strike out "\$600,000,000" and insert "\$800,000,000".

On page 3, line 9, after "section 637 (a)", to strike out "\$50,000,000" and insert "\$54,000,000".

On page 3, line 20, after the word "appropriated", to insert "and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the

same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs."

On page 11, after line 9, to insert a new section, as follows:

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any project in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such project, except when such nationals or citizens of the United States are not available and qualified to perform such work.

On page 12, at the beginning of line 1, to strike out "\$89,000,000" and insert "\$98,100,000", and in line 3, after the word "exceed", to strike out "\$19,500,000" and insert "\$20,300,000".

On page 12, line 21, after the word "exceed", to strike out "\$2,000,000" and insert "\$2,300,000".

On page 14, line 8, after "(5 U.S.C. 55a)", to strike out "\$56,000,000" and insert "\$39,717,137".

On page 15, line 11, after the word "expended", to insert a colon and "*Provided*, That this paragraph shall be effective only upon enactment into law of authorizing legislation".

On page 17, after line 8, to strike out:

None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national.

On page 17, after line 17, to insert:
SENATE

On page 17, after line 18, to insert:

For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, \$22,500.

On page 17, after line 21, to insert:

CONTINGENT EXPENSES OF THE SENATE
Miscellaneous Items

For an additional amount for "Miscellaneous items", fiscal year 1963, \$190,000.

At the top of page 18, to insert:

Miscellaneous Items

For an additional amount for "Miscellaneous items", \$215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

On page 18, after line 11, to insert:

Postage Stamps

For an additional amount for air mail and special delivery stamps for Senators and the

President of the Senate, \$6,060: *Provided*, That the maximum allowance per capita of \$550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to \$610 for the fiscal year 1964 and thereafter.

On page 18, after line 18, to insert:

Stationery (Revolving Fund)

For an additional amount for stationery, \$60,600: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum.

On page 20, after line 15, to insert:

TITLE V—INDEPENDENT OFFICES
HISTORICAL AND MEMORIAL COMMISSIONS
NEW JERSEY TERCENTENARY CELEBRATION
COMMISSION

For expenses necessary to carry out the provisions of the Act of September 2, 1960 (74 Stat. 730), including transportation and entertainment of participants, \$150,000, to remain available until expended.

On page 21, in the heading in line 1, after the word "Title", to strike out "V" and insert "VI".

On page 22, line 8, to change the title number from "VI" to "VII".

On page 22, line 9, to change the section number from "601" to "701".

On page 22, line 13, to change the section number from "602" to "702".

On page 23, line 11, to change the section number from "603" to "703".

On page 23, line 21, to change the section number from "604" to "704".

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a brief morning hour, with statements limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENTS BY THE ACTING PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. In accordance with the provisions of Public Law 86-42, 86th Congress, the Chair announces the appointment of the following Senators to serve as members of the U.S. delegation to the Canadian-American Interparliamentary Conference to be held in the United States on January 14-18, 1964:

Senator AIKEN, chairman; Senators MANSFIELD, DODD, MORSE, HOLLAND, BARTLETT, HART, PASTORE, MUSKIE, MUNDT, YOUNG of North Dakota, and JORDAN of Idaho.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF NATIONAL FOREST RESERVATION
COMMISSION (S. Doc. No. 48)

A letter from the President, National Forest Reservation Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Agriculture and Forestry, and ordered to be printed.

REPORT ON U.S. TRAVEL SERVICE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the activities of the U.S. Travel Service, for the 6-month period ended September 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT ON ACTIVITIES UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the activities and transactions under the Merchant Ship Sales Act of 1946, for the 6-month period ended September 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT ON CONSTRUCTION OF NEW LOW-RENT HOUSING PROJECTS WITHOUT ADEQUATE CON- SIDERATION OF AVAILABLE GOVERNMENT- OWNED HOUSING

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the construction of new low-rent housing projects without adequate consideration of available Government-owned housing, Public Housing Administration, Housing and Home Finance Agency, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON FINANCIAL POSITION, MISSOURI RIVER BASIN PROJECT

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the financial position, Missouri River Basin project, December 1963 (with accompanying papers); to the Committee on Interior and Insular Affairs.

RESOLUTION OF CITY COUNCIL OF CITY OF PHILADELPHIA

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the City Council of the City of Philadelphia, Pa., favoring the continued operation of the Philadelphia Naval Base, which was referred to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1017. A bill for the relief of Angelo Coppola (Rept. No. 799);

S. 1328. A bill for the relief of Woo Zee-Ching (Rept. No. 800);

S. 1445. A bill for the relief of Archie L. Dickson, Jr. (Rept. No. 801);

S. 2073. A bill for the relief of Roza Feuer (Rept. No. 802); and

H.R. 1560. An act for the relief of Constantinos A. Grigoras (Gregoras); (Rept. No. 803).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 439. A bill for the relief of Jose L. Rodriguez (Rept. No. 805).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 2071. A bill for the relief of Nina Maria Carmela Flore (Rept. No. 806); and

H.R. 1887. An act for the relief of Yon Ok Kim, Chang In Wu, and Jung Yol Sohn (Rept. No. 807).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

H.R. 6468. An act for the relief of Harold J. Burke (Rept. No. 786).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

S.J. Res. 109. Joint resolution designating the period from January 12 to January 18, 1964, as International Printing Week (Rept. No. 787).

By Mr. HART, from the Committee on the Judiciary, without amendment:

H.R. 4505. An act to confer jurisdiction on the Court of Claims to entertain, hear, and determine a motion for a new trial on the claim of Robert Alexander (Rept. No. 788).

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

H.R. 2772. An act for the relief of Mr. and Mrs. Harley Brewer (Rept. No. 789).

By Mr. BAYH, from the Committee on the Judiciary, without amendment:

H.R. 1532. An act for the relief of Herbert R. Schaff (Rept. No. 790);

H.R. 2292. An act for the relief of Marvin M. Greenlee (Rept. No. 791);

H.R. 2364. An act for the relief of the Clay County Hospital, Brazil, Ind. (Rept. No. 792);

H.R. 4099. An act for the relief of Jesse Leigh Jr. (Rept. No. 793);

H.R. 4759. An act for the relief of W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou (Rept. No. 794);

H.R. 5746. An act for the relief of Robert H. Bagby (Rept. No. 795);

H.R. 6181. An act for the relief of Mr. Rudolph Sanderson, of Meriden, Kans. (Rept. No. 796);

H.R. 6807. An act for the relief of H. W. Robinson & Co., Inc. (Rept. No. 797); and

H.R. 7019. An act to provide further compensation to Mrs. Johnson Bradley for certain land and improvements in the village of Odanah, Wis., taken by the Federal Government (Rept. No. 798).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, with amendments:

S. 2125. A bill to revitalize the American gold mining industry (Rept. No. 804).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

S. Res. 236. Resolution to print additional copies of hearings on S. 815, to adjust legislative jurisdiction over certain Federal enclaves (Rept. No. 808).

By Mr. BARTLETT, from the Committee on Commerce, without amendment:

S. 469. A bill to admit the vessels *Fort Town*, *Maple City*, and *Windmill Point* to American registry and to permit their use in the coastwise trade (Rept. No. 811).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

H.R. 5377. An act to amend the Civil Service Retirement Act in order to correct an inequity in the application of such act to the Architect of the Capitol and the employees of the Architect of the Capitol and for other purposes (Rept. No. 812).

TO PRINT AS A SENATE DOCUMENT THE TRIBUTES BY MEMBERS OF CONGRESS TO THE LIFE, CHAR- ACTER, AND PUBLIC SERVICE OF THE LATE PRESIDENT JOHN F. KENNEDY

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original concurrent resolution (S. Con. Res. 69), and submitted a report (No. 809) thereon; which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be

printed with illustrations as a Senate document all remarks by Members of the Senate and the House of Representatives in the Halls of Congress which constitute tributes to the life, character, and public service of the late President John F. Kennedy.

SEC. 2. There shall be printed and bound as directed by the Joint Committee on Printing, thirty-two thousand two hundred and fifty additional copies of such document, of which ten thousand three hundred copies shall be for the use of the Senate and twenty-one thousand nine hundred and fifty copies shall be for the use of the House of Representatives.

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICHIGAN—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 810)

Mr. BIBLE. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (S. 792) to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators KUCHEL, ALLOTT, JORDAN of Idaho, and DOMINICK, and the additional minority views of Senators SIMPSON, MECHEM, DOMINICK, and JORDAN of Idaho.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Nevada.

Summary of cost value of stockpile inventories by major category

Major category	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month
Strategic and critical materials:			
National stockpile ¹	\$5,804,537,900	\$5,791,239,900	-\$13,298,000
Defense Production Act.....	1,493,255,200	1,491,620,400	-1,634,800
Supplemental—barter.....	1,345,059,356	1,347,267,417	+2,208,061
Total, strategic and critical materials ¹	8,642,852,456	8,630,127,717	-12,724,739
Agricultural commodities:			
Price support inventory.....	5,367,471,967	5,472,127,710	+104,655,743
Inventory transferred from national stockpile ¹	126,369,680	126,232,170	-137,510
Total, agricultural commodities ¹	5,493,841,647	5,598,359,880	+104,518,233
Civil defense supplies and equipment:			
Civil defense stockpile, Department of Defense.....	35,430,457	11,818,287	-23,612,170
Civil defense medical stockpile, Department of Health, Education, and Welfare.....	190,348,652	191,466,181	+1,117,529
Total, civil defense supplies and equipment.....	225,779,109	203,284,468	-22,494,641
Machine tools:			
Defense Production Act.....	2,208,600	2,208,600	-----
National Industrial Reserve Act.....	89,665,760	89,797,300	+131,600
Total, machine tools.....	91,874,300	92,005,900	+131,600
Helium.....	10,990,769	13,396,321	+2,405,552
Total, all inventories.....	14,465,338,281	14,537,174,286	+71,836,005

¹ Cotton inventory valued at \$128,409,100 withdrawn from the national stockpile and transferred to Commodity Credit Corporation for disposal, pursuant to Public Law 87-548, during August 1962.

Detailed tables in this report show each commodity, by the major categories summarized above, in terms of quantity and cost value as of the beginning and end of the month. Net change figures reflect ac-

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FED- ERAL STOCKPILE INVENTORIES

By Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal stockpile inventories as of September 1963. I ask unanimous consent to have the report printed in the Record, together with a statement by me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The report and statement presented by Mr. BYRD of Virginia are as follows:

FEDERAL STOCKPILE INVENTORIES, SEPTEMBER 1963

INTRODUCTION

This is the 46th in a series of monthly reports on Federal stockpile inventories. It is for the month of September 1963.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Departments of Agriculture, Defense, Health, Education, and Welfare, and Interior, and the General Services Administration.

The cost value of materials in inventories covered in this report, as of September 1, 1963, totaled \$14,465,338,281, and as of September 30, 1963, they totaled \$14,537,174,286, a net increase of \$71,836,005 during the month.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, 4, and 5, but the cost value figures are summarized by major category, as follows:

the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

Mr. SPARKMAN (for himself, Mr. BIBLE, and Mr. SALTONSTALL) submitted amendments (No. 367), intended to be proposed by them, jointly, to House bill 8363, *supra*, which was referred to the Committee on Finance and ordered to be printed.

Mr. DOUGLAS submitted amendments (Nos. 368, 369, and 370), intended to be proposed by him, to House bill 8363, *supra*, which were referred to the Committee on Finance and ordered to be printed.

Mr. DIRKSEN submitted an amendment (No. 371), intended to be proposed by him, to House bill 8363, *supra*, which was referred to the Committee on Finance and ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENT TO FOREIGN AID APPROPRIATION BILL (AMENDMENT NO. 372)

Mr. PASTORE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 18, line 3, insert the following:

"STATIONERY (REVOLVING FUND)

"For an additional amount for stationery, \$60,600: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum."

Mr. PASTORE also submitted an amendment (No. 372), intended to be proposed by him, to House bill 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. PASTORE also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 18, line 3, insert the following:

"MISCELLANEOUS ITEMS

"For an additional amount for 'Miscellaneous items,' \$215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading 'Contingent Expenses of the Senate' in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words 'one hun-

dred and twenty' and inserting in lieu thereof 'one hundred and sixty' and by striking out the words 'six hundred' and inserting in lieu thereof 'eight hundred.'"

Mr. PASTORE also submitted an amendment, (No. 373) intended to be proposed by him, to House bill 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. PASTORE also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 18, line 3, insert the following:

"POSTAGE STAMPS

"For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, \$6,060: *Provided*, That the maximum allowance per capita of \$550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to \$610 for the fiscal year 1964 and thereafter."

Mr. PASTORE also submitted an amendment (No. 374), intended to be proposed by him, to House bill 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDITIONAL TIME FOR COSPONSORSHIP OF SENATE JOINT RESOLUTION 139, PROPOSING CONSTITUTIONAL AMENDMENT

Mr. BAYH. Mr. President, on Thursday, December 12, I introduced an amendment to the Constitution. This measure has now been designated Senate Joint Resolution 139.

At the time of introduction, Mr. President, I asked that Senate Joint Resolution 139 be held at the desk until Wednesday, December 18, 1963, in order that other Senators would have an opportunity to join me in cosponsoring this amendment.

Because of the intense interest being shown in this entire matter of Presidential succession and the complexities of the various proposals, I have received several requests from Senators to extend the time during which this measure will be available for cosponsorship. Therefore, Mr. President, to allow Senators an additional amount of time to review this measure, I ask unanimous consent that Senate Joint Resolution 139, previously held at the desk, at my request, until December 18, 1963, be allowed to remain at the desk until January 12, 1964.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL SPONSOR OF AMENDMENT TO SENATE BILL 1975

Mr. HART. Mr. President, on behalf of the senior Senator from Connecticut [Mr. Dodd] I ask unanimous consent that the name of the junior Senator from New Hampshire [Mr. McINTYRE] be added as a cosponsor of the amendment submitted by the Senator from Connecticut [Mr. Dodd] to Senate bill 1975.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had receded from its disagreement to the amendments of the Senate numbered 30, 31, 35, 37, and 38 to the bill (H.R. 6868) making appropriations for the Legislative Branch for the fiscal year ending June 30, 1964, and for other purposes, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 36 and 40 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 9413) to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 57) favoring the suspension of deportation of certain aliens, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore.

H.R. 4276. An act to provide for the creation of horizontal property regimes in the District of Columbia;

H.R. 6756. An act to revise the boundaries of Mesa Verde National Park, Colo., and for other purposes; and

H.R. 9140. An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1964, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. FULBRIGHT:

Statement entitled "It Rained in Washington Today," written by Harold C. Miller, and published on November 23, 1963, relating to the assassination of President Kennedy.

By Mr. GORE:

Statement by Lewis L. Strauss on tax legislation before the Committee on Finance.

By Mr. JAVITS:

Editorial entitled "Mr. Moses at 75," published in the New York Times of December 18, 1963, dealing with the career of New York's master builder, Robert Moses.

By Mr. RANDOLPH:

Editorial, "The New Education Bill," in the Tuesday, December 17, 1963, issue of the New York Times.

Letter dated December 12, 1963, addressed to Senator McNAMARA by Frank Curran, mayor of the city of San Diego, Calif., dealing with the impact and continuing benefit of accelerated public works in San Diego, Calif.

By Mr. LONG of Louisiana:

Article entitled "Full Speed Ahead in the Doldrums," published in Business Week magazine on October 12, 1963.

By Mr. SMATHERS:

Article entitled "L.B.J. to Press New Cuba Policy," written by Hal Hendrix and published in the Washington (D.C.) Daily News on December 17, 1963, and article entitled "United States Will Rely on Experience—Not Theory," written by Hal Hendrix and published in the Washington (D.C.) Daily News on December 16, 1963.

By Mr. HRUSKA:

Resolution adopted by the Omaha, Nebr., branch of the Ukrainian-American Association, relating to the Communist regime in Ukraine.

PRESIDENT JOHNSON'S ADDRESS AT THE UNITED NATIONS GENERAL ASSEMBLY

Mr. MANSFIELD. Mr. President, on yesterday, President Johnson appeared at the General Assembly of the United Nations. He spoke to the assembled delegations of the world's nations in words which were eloquent in simplicity, sensitivity, and sensibleness.

In the light of the recent tragedy, there was a need to reassure our neighbors on this planet that the influence of the United States would remain committed, as it was under President Kennedy, in a deep concern for the advancement of peace, human rights, and the economic and social welfare of the human race.

That reassurance has now been given by the President of the United States. He spoke to the United Nations in the language of a new administration, but in a spirit rooted in President Kennedy's policies.

Certain editorials—published in the New York Times, the Washington Post, the Baltimore Sun, and other newspapers—make clear that President Johnson's statement was an affirmation to the world that what was so well begun for peace and progress will continue, that we will move forward with any and all nations to build for peace in the many ways in which peace must be built. At the same time, these editorials also make clear that we will stand with the special relationships which link us with Western Europe so long as the Western Europeans are prepared to do the same.

I ask unanimous consent that three of these editorials be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, Dec. 18, 1963]

THE NEW ERA

President Johnson used his first appearance before the United Nations General Assembly to emphasize the continuity of the policy of this country. It was a good thing to do and his words and his act demonstrated not only American policy, but in addition the usefulness of the General Assembly as a forum, in this kind of situation.

It was clearly the object of this appearance to show that the old policies are still in effect and not to disclose new policies departing from those of his predecessor. This intention put the President into a framework that did not permit either innovation or particularization. He managed, however, to restate the purposes of this Government with force and conviction. Both his words and the serious and earnest delivery of the President must have made an impression upon an Assembly in a better position than anybody in the world to disseminate to the four quarters of the globe an estimate of the new President of the United States.

While the President was primarily concerned with making it plain that the old era goes on, he achieved, by the force and vigor of his utterance, a new emphasis on this country's concern with poverty everywhere in the world.

He did not proclaim any new policy or outline any direct measures to wage the war against want. He did not set out in detail any plan to carry to the whole world the national New Deal policy that Franklin Delano Roosevelt enunciated in the 1930's with his famous phrase about the one-third of the Nation that were "ill housed, ill clad, ill nourished." But he nonetheless left a clear impression that the evidences of poverty in many countries he visited as Vice President made a profound impression on him. And he made it evident that it is his intention to place the eradication of this kind of human misery high on his list of national objectives. If the strong words he used are followed by strong measures he will have added to "New Deal" and "New Frontier" a "New Era" in human affairs.

[From the New York Times, Dec. 18, 1963]

THE ROAD TO PEACE

At a moment when assertive nationalism is again raising its head and even old alliances begin to fray, President Johnson has issued a new call for collective international action to ease tension, to end the cold war and all war, and to fight the real enemies of man—hunger, poverty, and disease.

The President sounded his call in messages to the two principal pillars on which American policy is based—the United Nations and the North Atlantic alliance. He made it plain, first, that the policies and purposes of the United States remain unchanged; and second, that foreign policy will not be subordinated to parochial domestic concerns.

Mr. Johnson's personal appearance before the United Nations so early in his administration gave special emphasis to both points. He pledged unswerving support to the United Nations as the best instrument yet devised to promote peace and the well-being of mankind. He asked all nations to work together for a peaceful revolution—not to impose a new way of life on all—but to make the world safe for diversity under the rule of law. What particularly impressed and pleased the delegates from the new nations was his espousal of the rights of man for all men, irrespective of color, at home and abroad, and his stress on collective machinery to help the less-developed countries to build modern societies and a better world. The neo-nationalists and isolationists in Congress who would wreck the foreign aid program might well take note.

The theme of collective action and peace also ran through Mr. Johnson's message of steadfast support for the North Atlantic alliance. He stressed collective action by urging, in contrast to the views of President de Gaulle, both a united Europe and an Atlantic partnership as keys to Western security and to peace.

While the President enunciated no new policy, his vigorous reaffirmation of American determination to achieve a genuinely peaceful world—coupled with his explicit plea for an end to the cold war—can leave no doubt in Mr. Khrushchev's or anyone else's, mind just where we stand. As Mr. Johnson said, we know what we want—and what we want is a world in which every nation can live its own life in peace, security and independence, while recognizing its interdependence with every other.

AND TO WESTERN UNITY

President Johnson's message to NATO makes it clear that West-West relations are going to get at least as much attention as East-West relations in 1964. The new President went beyond NATO's military issues to the broader political, economic and psychological problems confronted by the Atlantic world. He addressed himself briefly but eloquently to the central task we must face if Atlantic unity is not to succumb to the nagging, low-grade fever that now is debilitating it. That task, as Dean Acheson has phrased it, is "to get the Atlantic community moving again."

Movement requires, first of all, European confidence in American purposes and perseverance. Europe has become the eastern frontier region of one Atlantic world. Nothing erodes confidence there more abrasively than querulous talk about withdrawing American troops. Such withdrawals would not reduce our involvement in Europe. They might actually increase it. And such talk, one may hope, will now be halted by the President's firm statement, going beyond Mr. Kennedy's pledge, that the six American divisions in Europe would remain "so long as they are needed." Mr. Johnson emphasized that "there is no doubt" that these forces will continue to be needed under present circumstances.

To this constancy in the American military commitment, President Johnson has added a rededication to imaginative programs designed to unite Europeans among themselves and with America for an attack on "all the great and burdensome tasks of building and defending a community of free nations." He talked of the problem of "a balanced NATO defense" by nonnuclear and nuclear forces—toward which Europeans are to contribute through an eight-nation multilateral missile fleet. He evoked "the goal of Atlantic partnership" in monetary affairs, aid to the developing areas and in trade.

The President, who hitherto had addressed himself primarily to the Nation's domestic problems, has now let it be known that he intends to move with equal authority in world affairs. His message was that despite the coming Presidential campaign, there will be no interregnum—for there can be none—in America's role in the world.

[From the Baltimore (Md.) Sun, Dec. 18, 1963]

THE JOHNSON SPEECH

Any new President of the United States must appear as soon as possible before the United Nations, to reaffirm our faith in the United Nations and restate this country's broad policy in world affairs. It is the obvious thing; it is one of the duties. When the new President has come suddenly into office, taking the place of a predecessor widely known and notably trusted, the duty becomes urgent, for it then carries with it the requirement of a special reassurance. That

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. May I ask, at 20 minutes past 3, what is the pending business?

The PRESIDING OFFICER. The pending business before the Senate is H.R. 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. PASTORE. I thank the Chair.

Mr. President, the foreign aid and related agencies appropriation bill, which is now before the Senate, recommends appropriations in the amount of \$3,604,364,000.

Title I of this bill is the mutual security program, and the committee has recommended an appropriation of \$3,508,500,000. This is an increase of \$497,800,000 over the House bill.

The largest single increase recommended by the committee is \$200 million for development loans. The authorization bill, which was agreed to last week in the Senate, authorized an appropriation of \$925 million for development loans. The House bill allowed \$600 million and the Senate committee has increased this by \$200 million to a figure of \$800 million. It will be observed that the committee figure is still \$125 million less than was agreed to in the authorization bill last week.

For the Latin American programs, the committee has recommended a restoration of \$175 million. The authorization bill for these programs was in the amount of \$705 million, and the House reduced these sums to \$530 million. The committee recommendation increases the

Latin American programs back to the full amount of the authorization of \$705 million.

For the first time in recent years, the House effected a cut of \$36,100,000 in the appropriation for international organizations and programs. The committee has restored \$30,900,000 of this reduction, which is the full amount of restoration requested by the Department of State.

The committee, insofar as title I is concerned, has concurred in the House action of reappropriating \$209 million in unobligated balances. The committee report is available, on the desk of each Member, and I believe the tables in this report will give the complete breakdown which is needed.

I ask unanimous consent that page 2 of the committee report, which is a summary table for each title, be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of bill

Title	Item	Authorization	Bill as it passed House	Recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
					Authorization	Bill as it passed House
I	Foreign aid (mutual security)-----	\$3,602,075,000	¹ \$2,801,700,000	¹ \$3,299,503,000	-\$302,572,000	+\$497,803,000
II	Foreign aid (other)-----	327,079,000	295,580,000	288,397,137	-38,681,863	-7,182,863
III	Export-Import Bank (limitation on Treasury borrowing authority)-----	1,317,866,000	1,317,866,000	1,317,866,000		
IV	Legislative branch-----	3,014,235	2,838,275	3,332,435	+318,200	+494,160
V	Independent offices-----	150,000		150,000		+150,000
VI	Claims and judgments:					
	Federal-----	12,982,095	12,982,095	12,982,095		
	District of Columbia-----	(22,238)	(22,238)	(22,238)		
	Total-----	5,263,166,330	4,430,966,370	4,922,230,667	-340,935,663	+491,264,297

¹And in addition reappropriation of \$209,000,000 in unobligated balances.

Mr. PASTORE. I also ask unanimous consent that a table showing the comparison between the House and Senate

figures on title I may be printed in the RECORD at this point.

There being no objection, the table

was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS, U.S. SENATE

Title I of foreign aid and related agencies appropriation bill, fiscal year 1964, H.R. 9499

[In millions of dollars]

	House bill			Senate committee bill			Senate bill over/under House bill		
	New funds	Reappropriation of unobligated balances	Total	New funds	Unobligated balances	Total	New funds	Unobligated balances	Total
Economic assistance:									
Development grants-----	150.0	47.4	197.4	175.0	47.4	222.4	+25.0		+25.0
American schools and hospitals abroad-----	14.3		14.3	14.3		14.3			
American schools and hospitals abroad (special foreign currency program)-----	4.7		4.7	4.7		4.7			
International organizations and programs-----	100.0	.4	100.4	130.9	.4	131.3	+30.9		+30.9
Supporting assistance-----	300.0	6.0	306.0	380.0	6.0	386.0	+80.0		+80.0
Contingency fund-----	50.0	127.1	177.1	32.9	127.1	160.0	-17.1		-17.1
Inter-American social and economic cooperation program-----	100.0		100.0	180.0		180.0	+80.0		+80.0
Alliance for Progress:									
Development loans-----	350.0		350.0	425.0		425.0	+75.0		+75.0
Development grants-----	80.0	2.7	82.7	100.0	2.7	102.7	+20.0		+20.0
Development loans-----	600.0		600.0	800.0		800.0	+200.0		+200.0
Administrative expenses (AID)-----	50.0	2.0	52.0	54.0	2.0	56.0	+4.0		+4.0
Administrative expenses (State)-----	2.7		2.7	2.7		2.7			
Surveys of investment opportunities-----		1.1	1.1		1.1	1.1			
Subtotal, economic assistance-----	1,801.7	186.7	1,988.4	2,299.5	186.7	2,486.5	+497.8		+497.8
Military assistance-----	1,000.0	22.3	1,022.3	1,000.0	22.3	1,022.3			
Limitation on administration expenses (military assistance)-----	(24.0)		(24.0)	(24.0)		(24.0)			
Total, title I, foreign aid-----	2,801.7	209.0	3,010.7	3,299.5	209.0	3,508.5	+497.8		+497.8

Mr. PASTORE. Mr. President, under title III of the bill, a language provision was included on the floor of the other body prohibiting the Export-Import Bank from guaranteeing the payment of any obligation hereafter incurred by any Communist country in the extension of credit in connection with the purchase of any product by such country. The committee has stricken this provision from the bill.

For the Senate, the committee recommends an additional appropriation of \$60,600 and has included language in the bill increasing the stationery allowance for each Senator from \$1,800 to \$2,400 per annum. The committee likewise increased the airmail and special delivery stamp allowance for Senators from \$550 per year to \$610 per year. It has also increased the number of long-distance telephone calls allowed to each Senator from 120 to 160 per month. These recommendations conform with recommendations already contained in the bill for Members of the House of Representatives.

In my written statement I have not, up to this time, mentioned the President's contingency fund. I point out that in the contingency fund the appropriation, in toto, is to be \$160 million.

We deducted \$17.1 million from the amount authorized by the House, a sum of \$177.1 million. In new money we would appropriate \$32.9 million, and there would be a new appropriation of unobligated balances of \$127 million, making the grand total of \$160 million.

I ask unanimous consent that the committee amendments be agreed to en bloc, except for the amendment on page 17 relating to the Export-Import Bank, which is the so-called wheat amendment, and that the bill, as thus amended, be regarded as original text for the purpose of amendment; provided, that no point of order shall be considered to have been waived by reason thereof.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Rhode Island? The Chair hears none, and it is so ordered.

Mr. GRUENING. Mr. President, a careful study—a study in depth—which I made last year and early this year in 10 Middle Eastern countries for the Committee on Government Operations, has convinced me that the alarm about the reduction made by the House of Representatives in the overall appropriation figure, as voiced, for instance, by the Washington Post and Times-Herald in an editorial this morning, is wholly unjustified and unfounded.

In discussing H.R. 9499, the foreign aid appropriation bill for 1964, it should be noted in the first place that there is more than \$6½ billion in the pipeline.

This means that a large amount is still unspent and available. If not a single cent were appropriated by the Congress this year, the foreign assistance program desired by its administrators could continue for a full year, with at least \$2 billion left over.

Furthermore, the critics of the reduction in foreign assistance made in the Senate in the foreign aid authorization bill, thanks to the vigilance of the senior

Senator from Oregon, and now by the House in the appropriation bill, take no account of what would be shown by a realistic country-by-country analysis as to which nations, for one valid reason or another, should no longer receive our aid.

If we total the amounts intended by the AID administration for those countries, and subtract that amount from the total appropriation figure which they seek, it will be found that \$2.8 billion, the amount voted by the House of Representatives, will be more than ample.

The list would include the countries of Western Europe and Japan, long since made prosperous by our aid, and, indeed, not even facing the grave and mounting unemployment problem which confronts us at home in the United States.

Then there is the little island of Taiwan, better known as Formosa, into which we have poured to date, under our foreign assistance program, \$4.5 billion in economic and military aid. By this time it should be able to get along without a continuation of the sums so lavishly provided year after year for the greatest variety of enterprises of which the mind of man can conceive.

In Taiwan there are not only powerplants, but also jute plants, paper plants, ceramic plants, and chemical plants; and there has been a rehabilitation of their fisheries. Everything of which the mind of man can conceive has been done for Formosa. Is it not about time this island was on its own?

So far as the defense of the island is concerned—which is, of course, an important part of our global strategy—not only has that been provided for lavishly in the form of all kinds of equipment and training for Chiang Kai-shek's army; but the defense of the island, if that should become necessary, would be provided by the 7th Fleet.

That is one additional economy that could be made. One figure should be eliminated from the conjectures as to what is needed under the foreign aid program for next year.

There are other countries—such as Israel, Lebanon, and Greece—which have been brought to a point of reasonable self-sufficiency. Foreign aid administrators always wish to go beyond self-sufficiency, for long after a country has received what it needs and is on its own, they wish to provide aid.

I congratulate the people in certain countries for a very intelligent and honest application of aid. It has been well administered in Israel, Greece, and Lebanon, and has done its work, but the time has come for those countries to be cut off, because they are on their own.

Then there are the aggressor nations, the United Arab Republic and Indonesia, to which, under the provision adopted by the Senate and the House, and now in the bill, aid should be denied immediately. I notice that that is not in prospect, unless there is a change of heart and a change of mind on the part of the administration and on the part of those who so generously "dish out" our foreign aid.

The former of these two nations, the United Arab Republic, should be denied

aid until it at least withdraws its 28,000-man army from the Yemen, where Nasser has kept it now for 16 months at a cost of approximately \$200 million to date, and ceases the export of violent revolution to neighboring countries, recipients of our foreign aid, which are being forced into an arms race to the detriment of their economy and of the purposes of our aid program.

Nasser is likewise building up a formidable arsenal of weapons, tanks, missiles, supersonic jet fighters, and submarines, obviously intended for aggression against Israel, whose destruction he has never ceased to demand and promise as his goal. To date, we have given Nasser almost a billion dollars and we have repeatedly saved him from destruction and have rehabilitated him. As a result, we now have a totalitarian dictator in the Middle East who is one of the greatest threats not merely to peace in that region, but to world peace, because he has never ceased to make preparations for aggressive war. It is time we exercised the power and authority now given in the foreign aid authorization bill and cut out these annual appropriations of hundreds of millions of dollars to him.

Likewise, Sukarno in Indonesia, to whom we have given to date nearly \$1 billion, is promising to destroy the new, democratically oriented nation of Malaysia, and is making use of the arms the United States has given him.

I was shocked to see, after the long debate in the Senate, when there was no dissent as to the aggressiveness and the past history of this dictator, who, to our regret, by using the threat of force of arms, compelled us—which we did not have to do—to turn over this primitive principality of West New Guinea to his control, when it should have been made a mandate of the United Nations for a decade, until the people could decide what their political status should be. He was able to do this by the threat of force and use of aid which we had given him. We abdicated inexcusably.

The example of Cambodia should be a lesson to us with respect to other nations in the Far East. How much longer shall we continue to pour hundreds of millions of dollars into these nations, where the money is not only likely to be wasted, but, far worse, where it is used for training and for arms which may be turned against us by the Red Chinese, for example, which is happening in Cambodia?

We see no change of heart of policy in that part of the world.

Then there is the case of Libya, which had a very high percentage of illiteracy, about 90 percent, but which is now an oil rich country, and should be happy to pay for such technical aid as we have in the past been giving it. We want to help Libya, but the Libyan dynasty should be willing to help itself.

There are new nations in Africa, in whose behalf we have a right to expect major support from their recent colonial masters, and whose economies are much more integrated with their former mother countries than with ours.

In Latin America are the countries of Brazil and Argentina. Brazil has been

the recipient of nearly \$2 billion in aid of one kind or another, for which there is nothing to show. It has repeatedly promised fiscal reform to stop its galloping inflation, but has never lived up to its repeated promises. It was on the basis of these promises, never fulfilled, that the United States had given that rich country repeated budget support, only to see our dollars go down the drain.

Until Argentina has demonstrated its stability and its willingness not to expropriate U.S. property without prompt and adequate compensation, it should not be the further recipient of our foreign aid.

Moreover, we shall not know for some time to come what stability there is in the Argentine. The present incumbent in the Presidency owes his presence there to the assent of the military. We should wait and see how permanent his regime may be and how secure we may be in the promises of reforms and adherence to the principles laid down at Punta del Este.

I have not by any means exhausted the list of countries which should be carefully scrutinized before we rush in with our aid, as we have done in the past.

We need to stop military aid to the new nations of Africa. That is the way to chaos. That is no place for us to start what could be an arms race. We already have evidence of that policy in Somalia, where there has been an invasion from Abyssinia with arms furnished that country by the United States. If we continue with this program, there will be similar wars all over Africa, and the very aims of the AID program will be defeated.

Moreover, there are pressing domestic needs—the needs of our own home folks, the American people—that cry for attention. They should be our paramount consideration. They need attention because a steadily increasing number of them are unemployed. That figure has now risen to 5.9 percent of our population. Those are not mere statistics—those are living people, who, in this land of power and plenty, in this so-called affluent society of ours, are, through no fault of their own, in dire poverty; their tiny resources, if indeed, if they ever had any, have long since been exhausted; their unemployment insurance vanished long ago.

In this morning's New York Times is a thoughtful column by the distinguished Washington bureau chief, James Reston, on the need of attention to the home front. I quote this pertinent sentence from the column:

The foreign front was President Kennedy's major problem, but the home front is likely to be Johnson's, and the need for some effective way to convert from the cold war to the slum war is likely to be more urgent with every passing month.

I ask unanimous consent that Mr. Reston's column be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Mr. President, yesterday President Johnson delivered a magnificent address before the United

Nations in New York. It was a historic address, and it was enthusiastically received, as it deserved to be.

In the course of his speech President Johnson referred to the regime of Franklin Delano Roosevelt, in which President Johnson received much of his early inspiration and guidance, and to which also as a young legislator he contributed his support. President Johnson in his speech of yesterday recalled President Roosevelt's plea in behalf of "the one third of the Nation ill housed, ill clad, and ill nourished."

President Johnson pointed out that, as a result of President Roosevelt's peaceful, revolutionary policies, that portion of our indigent population has been greatly reduced. Its reduction was continued under the wise policies of President Roosevelt's successor, President Harry Truman. But, unfortunately, while it is no longer one-third of the Nation, it is today at least one-tenth of our Nation; and unless we address ourselves to this serious fact, that fraction of one-tenth will increase.

But that one-tenth—representing close to 20 million Americans—should be our first and prior concern. While President Johnson has pledged continued U.S. aid in meeting international commitments, to the extent that our resources permit, the needs of the victims of hunger, disease, and ignorance in foreign lands, for which he urged the support of other nations, our own home task for these 20 million Americans is ours, and ours alone. We cannot, and do not, expect aid from foreign nations. This is our responsibility. I feel that it is highly pertinent to call attention to it and to stress it at this time when we are being asked to restore \$500 million to the foreign aid program.

At the time we are being asked to do this, our principal domestic program to diminish unemployment is stymied for lack of funds. I refer to the accelerated public works program, for which a mere paltry \$900 million was appropriated 2 years ago, and which funds for some months past have been completely exhausted. That was an admirable program, sponsoring throughout the Nation worthwhile public construction projects, projects worthwhile in themselves, which put unemployed people to work not only in their own communities, but in the communities where the factories supplying the materials are located, and aiding the unemployment problem among the transportation industries which conveyed those materials from factory to project.

But that \$900 million, one-fifth of the amount dedicated that year to the foreign aid program, was totally inadequate, as its rapid expenditures has demonstrated. But there was not in the case of our great domestic need the unvarying continuity of the foreign aid program, which continues without interruption. In every State of the Union today hundreds of worthwhile projects are ready to go. They have been processed and approved. But not only is there no money to carry them out and to help relieve our unemployment, but the prospect of securing sorely needed funds is not imminent.

Last week I sat as a member of the ad hoc committee appointed by the distinguished chairman of the Public Works Committee, the Senator from Michigan [Mr. McNAMARA] and presided over by the ranking Democratic member of that committee, the Senator from West Virginia [Mr. RANDOLPH], who has done so much to call attention to the tragic unemployment in his home State and to the pathetic plight of these coal miners who have been trained in one activity.

The plight of similarly unemployed in virtually every State of the Union, including Alaska, where there is a higher rate of unemployment than the national average, calls for the kind of executive and legislative support that both branches of our Federal Government have consistently given, for more than a decade and a half, to the tune of over \$100 billion to the less fortunate in what has now become the staggering figure of 107 foreign countries. Why have we not done as much for our own?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GRUENING. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. Assuming that the foreign aid program is necessary for the welfare of this Nation and the peace of the world, as four Presidents have already stated, why is the Senator making the argument that we must make a choice between a foreign aid program and a domestic program? Why can we not have both a domestic and a foreign program, if both are necessary? Why are the great shortcomings of our domestic program thrown at us as argument against a foreign aid program, if both are necessary? If the foreign aid program is not necessary, we should eliminate it. On the other hand, if it is necessary for the peace of the world, I do not see why we are obliged to make a choice between a domestic program and a foreign program, if both are necessary.

Mr. GRUENING. I shall be very happy to answer my friend from Rhode Island. He asks, Why can we not have both? The brutal fact is that we do not have both. We do not have a domestic aid program, but we do have a foreign program, which is thrown at us and which, we are told, is essential for the peace of the world. I do not share the view that such a program is essential to the peace of the world if it means throwing away millions of dollars to dictators like Sukarno or Nasser; and that it does not help the peace of the world but, instead, helps to destroy the peace of the world. That is the kind of program to which I am opposed.

Mr. PASTORE. That is the Senator's position. I am sure the Senator will admit that that is not the position of four Presidents. It was not the position of President Truman. It was not the position of President Eisenhower. It was not the position of President Kennedy. It is not the position of President Johnson. I realize that sometimes we take upon ourselves in our individual capacities—and I am not finding fault with it—in the Senate the decision as to the foreign policy of the United States, even though at times we admit that it

is the prerogative of the Chief Executive, as prescribed in the Constitution. I am sure President Johnson is conscious of the money we are using. I believe he is conscious of the money we are spending. I believe he is conscious of the expense of these programs. The question is, Do we need the program at all? That is the first question. The second question is, If we need it, how large should the program be?

Mr. GRUENING. That, I would say to my good friend from Rhode Island, is precisely where it becomes the duty and the constitutional mandate of Congress to exercise vigilance and control over the expenditure of money. It has been traditionally true that foreign affairs are left wholly to the executive. However, in the past 15 years, we have injected an entirely new and unprecedented element into the conduct of foreign affairs. That new element is the use of vast sums of money as an instrument of foreign policy. That did not exist before the advent of the Marshall plan or the Truman Doctrine. Up to that time the function of Congress was limited to appropriating funds for the State Department and for the Foreign Service and the Consular Service. The Senate limited itself to advising and consenting to treaties and the confirmation of nominations of diplomats and ambassadors and other State Department officials.

Up to that time there was not the factor of the massive injection of, first, hundreds of millions of dollars, and then billions of dollars annually in to our foreign relations program.

Therefore, since that time it has become the duty of the Senate, which it has not fulfilled, but is now, I hope, beginning to fulfill, its function to exercise the power of saying how that money will be spent, and to have some voice in deciding how the money shall be spent, and the extent to which it shall be spent.

Mr. PASTORE. The Senator has paid tribute to the splendid address delivered by President Johnson before the United Nations. I agree with him. I commend to his reading the part of the address which deals with the new era ahead. If anyone can read that paragraph without realizing that what the President of the United States is talking about is international relationships, which my friend from Alaska is more or less playing down, and the obligation of the rich nations, wherever feasible and reasonable and equitable, to come to the assistance of the depressed and underdeveloped nations, all I can do is to commend a reading of that paragraph to him. At some point during the proceedings, if no one else will do it, I shall repeat it myself.

Mr. GRUENING. I have read it carefully, and I have quoted from it. Perhaps the Senator did not notice my doing it. I approve it highly. I praised that speech as a magnificent speech. It is a historic utterance. I am all in favor of it.

However, I call attention to the fact that, while we are helping the unemployed and the hungry and the underhoused all over the world, we are neglecting the same type of people at home.

While President Johnson addressed his appeal to the other nations of the world to do their share to help the miserable people in 107 foreign countries, no one will come to our rescue or take care of our unemployed. That is the point I am making.

Mr. PASTORE. Is the Senator taking the position that for 3 years President Kennedy neglected the hungry and unemployed of this country?

Mr. GRUENING. I wish the Senator would not put words in my mouth. I never mentioned President Kennedy.

Mr. PASTORE. That is exactly what the Senator has said. He said we have neglected them. Who has neglected them?

Mr. GRUENING. Congress.

Mr. PASTORE. How about the President of the United States?

Mr. GRUENING. Congress has appropriated a measly \$900 million for our domestic aid program.

Mr. PASTORE. Then I suggest to my friend from Alaska that rather than voting to cut down foreign aid, he ought to vote to increase some of the domestic programs.

Mr. GRUENING. If the Senator will allow me to proceed, I should like to tell him that last March I introduced a bill to raise the amount of domestic aid under the accelerated public works program to the equivalent of what would be appropriated for foreign aid. Not long thereafter the distinguished Senator from Michigan, the chairman of the Public Works Committee [Mr. McNAMARA] introduced a bill to provide \$2.4 billion for that purpose. That is a very desirable piece of legislation.

My remarks were addressed to the point that we do not act on that legislation. The Senator from Michigan has moved forward as rapidly as possible. He has appointed an ad hoc committee, which met all last week. We listened to the testimony of Governors and mayors and State and county officials as to the tremendous number of projects that were waiting and ready to go ahead. My point is that there is not anything like the kind of support or emphasis or enthusiasm for a domestic program that there is for the foreign aid program.

Mr. PASTORE. Would not the Senator say that the very individuals who are allied with him in cutting down the foreign aid program have been voting against increasing any domestic programs?

Mr. GRUENING. No; I would not say that.

Mr. PASTORE. If he will look at the record, he will find that to be true. The budget cutters in the Senate are the same ones who cut almost anything that comes before it.

Mr. GRUENING. I would also say to the Senator from Rhode Island—

Mr. PASTORE. All one has to say is, "We do not need it," and without further ado it is possible to obtain a vote to cut it.

Mr. GRUENING. I am in favor of foreign aid, but I am not in favor of some of the waste and extravagances and follies that have been committed under it. If the Senator followed the various

amendments which I proposed when the authorization bill was before the Senate, he would have noticed that I seldom stressed the question of the total amount of money, but tried to reform some of the abuses. A few of those amendments have remained in the bill. The conferees could not take all of them out, although they tried.

We substantially improved the bill. If the bill can be improved along those lines, I shall continue to support the program enthusiastically, as I did in the authorization bill when it finally came to a vote.

Mr. PASTORE. Mr. President, will the Senator from Alaska yield for a further observation?

Mr. GRUENING. I yield with pleasure. The Senator's interruptions are helpful. They help me to bring out my points in greater detail than I would otherwise be able to do.

Mr. PASTORE. I do not for one moment think that because it has become my responsibility to manage the bill on the floor of the Senate it is perfect. I believe in the foreign aid program.

Mr. GRUENING. So do I.

Mr. PASTORE. I believe there have been some abuses in it. There have been abuses in almost every program initiated by Congress, especially those in which large sums of money are involved. I readily admit that there have been frustrations. I admit that there have been failures. I admit that there has been disappointment over Cambodia. I admit that there have been disappointments in many other parts of the world.

But predicated upon the testimony before the committee, not only from the State Department, but also from the Joint Chiefs of Staff and correspondence we have had with the President—and I have a letter from President Johnson that I shall read into the RECORD—we have taken into account everything that was said on the floor of the Senate after the 3 weeks during which the authorization bill was before the Senate. The members of the committee were properly conscious of the attitude of the Members of the Senate and their desire to cut the bill down to the bone. We were conscious of our common desire to do away with the fat and preserve the muscle. That is the reason why the committee weighed and analyzed the testimony of all the witnesses who appeared before it. We scrutinized every single item in the bill, and came forth with the final figure.

The Senator from Alaska knows that this will not be the final figure after the conference.

I say further to the distinguished Senator from Alaska that we also paid heed to the admonition that was given by the President several days ago, when he said that if the amount were cut further, it would weaken his position.

After all, the committee has the responsibility of sitting hour in and hour out to listen to witnesses. We cannot come to the floor of the Senate and indulge in clichés or in phrases that sound good. Our responsibility is beyond that.

Everything the Senator from Alaska has said has been very much on the minds of Senators who worked on the bill. It is no particular glory to me to come forward and handle this particular bill on the floor of the Senate. I have done my task. I have assumed my responsibility to my State and to my country in the best way I could. I do not believe that the committee tolerated any waste in the budget.

While I have the highest respect for the opinion of the Senator from Alaska with regard to certain items, I also want him to understand that we who have had the responsibility to prepare the legislation have tried in good conscience to do the best for our country.

Mr. GRUENING. I have no doubt of that. I know that everything the distinguished senior Senator from Rhode Island does is motivated not only by conscience, but also by his very conscientious desire to do the most effective job possible, both for his State and for the Nation.

We differ in certain details. I believe our underlying purposes are the same. Nevertheless, I am confident that if we placed a little more emphasis on our neglected domestic needs, which contrast so glaringly with the great emphasis that is being given to the foreign aid program, we would be in a better position to handle both the domestic problem and the foreign aid situation.

I wish to continue my discussion of the present plight of our domestic unemployed.

The distinguished senior Senator from West Virginia [Mr. RANDOLPH], the ranking Democratic member of the Committee on Public Works, has called attention to the tragic problem of unemployment in his State. He was chairman of the ad hoc committee appointed by the distinguished Senator from Michigan [Mr. McNAMARA], chairman of the Committee on Public Works.

Repeatedly, on the floor of the Senate and elsewhere, the Senator from West Virginia has called attention to the plight of his constituents, chiefly family men, men having wives and children who depend on them, and who find themselves automated out of employment.

The plight of these men and their families, the plight of similarly unemployed persons in virtually every State of the Union, including Alaska, where there is a higher rate of unemployment than the national average, calls for the kind of executive and legislative support that the legislative and executive branches of the Federal Government have consistently given for more than a decade and a half to the tune of over \$100 billion to the less fortunate, in what has now become the staggering figure of 107 foreign countries. I ask again, Why have we not done as much for our own? This is our major problem, our No. 1 priority, our first and foremost objective and responsibility.

I find no enthusiasm for voting an additional \$500 million for foreign aid when I know, first, that the figure established by the other body is more than adequate; and second, when I confront the tragic double standard, of which I have spoken

before, under which we give first and foremost consideration to the needy of foreign lands and neglect our own.

Two very significant articles have been published recently, calling attention to the tragic plight of our destitute Americans. One, entitled "One Out of Ten Americans Lives in 'Abject Poverty,' Study Reveals," was written by Eve Edstrom and published recently in the Washington Post. Its opening paragraph states the stark fact that "20 million Americans exist in such 'abject poverty' that they must do without bare necessities."

Let me repeat that. The stark fact is that "20 million Americans exist in such 'abject poverty' that they must do without bare necessities."

These are the plain facts which both indict and challenge us to move effectively in the domestic fields; to move with the same concern, the same unrelenting and continuous concern, with which we press all authorizations and appropriations for the disadvantaged in foreign lands.

Mr. MANSFIELD. Mr. President, will the Senator from Alaska yield briefly, without losing his right to the floor?

Mr. GRUENING. I yield, provided I do not lose the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I wish to propound a unanimous-consent request to the effect that at the conclusion of the speech now being made by the distinguished Senator from Alaska [Mr. GRUENING] there be a time limitation of one-half hour on each amendment, 15 minutes to a side, the time to be controlled by the Senator from Rhode Island [Mr. PASTORE] and the Senator offering the amendment; 2 hours on the Mundt amendment, 1 hour to be under the control of the distinguished Senator from South Dakota [Mr. MUNDT] and 1 hour to be under the control of the distinguished Senator from Rhode Island [Mr. PASTORE]; and 1 hour on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective immediately, during the further consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, debate on any amendment (except the committee amendment on page 17 to strike lines 9 through 16, which shall be debated 2 hours, to be equally divided and controlled by the Senator from South Dakota [Mr. MUNDT] and the Senator from Rhode Island [Mr. PASTORE], motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment and the Senator from Rhode Island [Mr. PASTORE]; *Provided*, That in the event the Senator from Rhode Island [Mr. PASTORE] is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall

be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. GRUENING. Mr. President, do I correctly understand that the unanimous-consent agreement will not take effect until I have concluded my remarks?

Mr. MANSFIELD. It is clear under the unanimous-consent agreement that the time will begin to run after the Senator from Alaska has concluded his remarks.

The PRESIDING OFFICER. That is the understanding.

Mr. GRUENING. Mr. President, mine may be a narrow, old-fashioned, obsolete, even reactionary view. But I feel that the plight of 20 million Americans deserves at least as much attention, concern, and action as we are giving the billions of people in Asia, Africa, South America, Europe, Oceania—indeed, everywhere on the globe—but not at home.

I ask unanimous consent that the article written by Eve Edstrom and published in the Washington Post be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWENTY-SIX MILLION OTHERS HAVE BARE ESSENTIALS—1 OUT OF 10 AMERICANS LIVE IN ABJECT POVERTY, STUDY REVEALS

(By Eve Edstrom)

Twenty million Americans—about 1 out of 10—exist in such abject poverty that they must do without bare necessities.

Another 26 million—which adds up to almost one out of four Americans—live at minimum adequacy levels.

These are the conservative estimates upon which the National Policy Committee on Pockets of Poverty focused yesterday at the opening of a 2-day session here.

Its meetings come at a time when the Johnson administration is considering programs to eradicate mass poverty in affluent America.

The committee, which includes such distinguished political economists as Harvard's Seymour Harris, warned that "even with a more affluent America," the number of poor will increase substantially during the next two decades unless remedial steps are taken.

Furthermore, the committee released material drawn from a 2-year study which emphasizes that poverty will not be done away with "by policies aimed at bringing about full employment."

This is because today's impoverished families sit outside of the marketplace, their lot is not the direct result of inadequate economic growth rates because they are not part of the economic structure.

"Their poverty is the result of special circumstances rather than of the rate of economic activity," it was stated.

In setting forth the "special circumstances," the committee put forth a formula for not being poor, as well as for being poor.

To not be poor, it was stated, one must be a white Northern city resident between the ages of 25 and 45 who is married with no more than two children, who has attained as much education as possible, and who is in good physical and mental health.

The "surest" way to be poor is to be non-white, live in a rural area and be a female

who is over 65 and is the head of a household.

In the above circumstances, 84 out of every 100 of these nonwhite rural families live at lower than subsistence levels.

Actually, the committee emphasizes that all nonwhites whether they live in the city or on the farm, all families headed by young or old females, all residents of rural areas and the South, and all persons over 65 have high risk poverty rates.

AGED MAKE SOME PROGRESS

However, in the last decade and because of social security, the aged have made the most progress in moving out of the "abject poverty" state.

Another poverty-prone segment of the population involves the young—male family heads between the ages of 14 and 25—and their numbers are increasing.

"The honor of being called 'family head' bestowed too soon brings with it a greater likelihood of poverty, particularly since 1957," it was said. "For most, low income is no momentary detour but the foreshadowing of a life of poverty."

"Their situation is worsening and * * * the problem of the young in contemporary America typifies the problem of the poor; submerged like an iceberg."

Poverty also attacks those with less than 8 years of education and families which have more than six children under 18.

Such groups now comprise a "new class of Americans—those split off from our affluent society," said James G. Patton, chairman of the 28-member national policy committee.

"They constitute a shocking paradox in American life. When the economy dips their plight worsens but when it rises they benefit little if at all."

This is why programs must be developed to tackle the special problems of the underprivileged, in addition to programs to stimulate the economy, he said.

Poverty can be eradicated by the year 2000, Patton said, but only if the United States embarks on new or expanded educational, housing, public works, medicare, conservation corps, and food stamp programs.

Patton, who also is president of the National Farmers Union, said he and other committee members had consulted with the late President Kennedy on ways to eliminate poverty and will consult with President Johnson after firm recommendations are adopted.

The committee, founded 2 years ago by the Farmers Educational Foundation, includes former President Truman and foremost economists, scientists, sociologists, business and professional leaders from every region of the country.

Much of the committee's data on poverty is based on a study which economist Oscar Ornati directed for the Twentieth Century Fund. It will be published next spring.

LESS THAN \$2,500 INCOME

In explaining his economic groupings, Ornati stated that families of four, with income of less than \$2,500 annually, were placed in the "abject poverty" group. Families of four, with annual incomes of less than \$4,500, were included in "minimum adequacy" group.

Mr. GRUENING. Mr. President, I congratulate the Washington Post on printing the article, and I suggest that in its editorial columns it show as much concern for the 20 million Americans who live in abject poverty, without hope or help, as it does for the hundreds of millions in other lands. I have read the Post's impassioned editorials in their behalf—editorials repeated in strident tones on every occasion; but I have not

noted corresponding editorial effervescence for the accelerated public works legislation, which has now languished for over half a year, or for other legislation to lift our 20 million Americans from abject poverty.

I also recall attention to a very moving article which was published in the December 21 issue of the Saturday Evening Post. The article is entitled "The Invisible Americans." It was written by Ben H. Bagdikian, and it includes photographs which make these destitute, disadvantaged Americans visible. I hope their visibility will reach the Federal levels, executive and legislative, where action is needed and is long overdue.

The article, entitled "The Invisible Americans," has the subtitle:

Poverty: A Special Report.

We are the richest nation on earth, yet one American in five is without adequate food or shelter or medicine, and nobody seems to care.

Mr. President, it is high time that we started to care as much for these Americans as we are caring for the similarly disadvantaged in other lands.

In Alaska, there is chronic unemployment among the Eskimos and the Indians. Part of their unemployment is due to Federal action and inaction. Under Federal mismanagement, when Alaska was a Territory and when Alaskans were helpless colonials, their greatest natural resource, the Pacific salmon, and perhaps the Nation's greatest fishery resource, was steadily depleted by Federal mismanagement, over the increasing but unavailing protests of the people of Alaska. This wrecking of this great fishery resource, this flagrant conservation failure, brought destitution, poverty, and even hunger to the inhabitants of the villages along Alaska's farflung coastline—a coastline longer than the combined Atlantic, Gulf, and Pacific coastlines of the 48 older States. It devolves upon our young State of Alaska to undertake the difficult task of rebuilding and rehabilitating an almost vanished resource.

I may say that Alaska has made a most commendable start. Our State's department of fish and game is striving mightily, devotedly, and with much knowledge, to recover from the depletion visited on Alaska's fishery resource by the mismanagement of the Federal Fish and Wildlife Service, which had absolute control of the management of Alaska's fishery resource during the 1940's and 1950's. It was during this period that, despite the unceasing protests of Alaskans, this agency presided over the decline of our salmon fishery from a high of more than 6 million cases, in 1940, when it took charge, to the lowest point in 60 years, in 1959, the last year of Federal control, when the salmon pack had dwindled to approximately 1,500,000 cases. So serious was the economic impact of this conservation fiasco that President Eisenhower felt obliged to declare part of Alaska's fishing communities to be a disaster area.

Although Alaska has improved the situation somewhat, under its wiser management, the economic blight remains. Thousands of our fishermen are

among the Americans who live in abject poverty. Thousands of our Indians and Eskimos and Aleut population are among "the invisible Americans" dealt with in the article by Ben Bagdikian, which has been published in the Saturday Evening Post.

Mr. President, I feel that the Indians of Alaska and wherever else in the United States they are without adequate food, shelter, or medicine, are entitled to as much consideration as are the Indians of India. But they are not getting it.

The article by Mr. Bagdikian begins with a paragraph which should challenge the attention and concern of every American. It should particularly challenge the attention and concern of the Congress, which needs to authorize a new and substantial appropriation for our accelerated Public Works Act.

The bill introduced last July by the Senator from Michigan [Mr. McNAMARA] calls for an authorization of \$2,400 million. The bill I introduced last March calls for an appropriation equal to the one we make for foreign aid. If we accept the amount voted yesterday by the House of Representatives, that will be \$2.8 billion. If we accept the figure voted by the Senate, the amount will be somewhat larger.

Mr. President, I wish to point out what is needed in order to help these "invisible Americans." The following steps—a long and torturous route—must be followed:

First, our ad hoc committee, which has heard the impressive testimony of State Governors, mayors, State officials, municipal officials, county officials, labor union representatives, and chamber of commerce officials, who have presented unanimously favorable and urgent testimony in regard to the need for action on accelerated public works, must first report one of the two bills now before it to the Public Works Committee. That is the first step.

Second, the Public Works Committee must act to report the bill to the full Senate.

Third, the Senate must act to authorize this appropriation.

Fourth, the House must go through similar procedure, consisting of not less than three steps.

Fifth, the Public Works Appropriations Subcommittee of the House Appropriations Committee must hold a hearing on the appropriation. If it reports favorably, then comes the sixth step.

Sixth, the full House Appropriations Committee must act.

Seventh, the full House must act on the appropriation.

Eighth, the Senate must go through the same appropriation procedure.

Mr. President, it is clear that we shall be lucky if action to make available these funds for accelerated public works is taken in 3 months' time. In fact, we shall be lucky if it is taken by next June, although the urgency is great and the projects are waiting.

I point out that, on the other hand, we find that no such delay is encountered in connection with the authorization, appropriation, and expenditure of funds under our foreign aid program, for the

benefit of the millions of non-Americans in 107 other countries.

Mr. President, I was going to quote the opening paragraph of the article written by Mr. Bagdikian, and published in the Saturday Evening Post, under the sub-headline "Poverty: A Special Report"—an article in which he deals with poverty in the United States. This is what he states in his opening paragraph:

There is a world inside the United States where the American dream is dying. It is a world where, when it rains at night, everyone gets up to move beds away from the leaks. Where there is no electricity—but refrigerators are valued to keep food safe from rats. Where regularly at the end of the month whole families live on things like berries and bread. Where children in winter sleep on floors in burlap bags and their lung X-rays at age 12 look like old men's. Where students drift hungry and apathetic through school and their parents die 10 or 20 or 30 years earlier than their countrymen.

I wish these lines in the opening paragraph could be engraved on the consciousness of every Senator.

Now we come to the second paragraph:

These are the poor. They are not just the psychological cripples. Nor are they located only in small, isolated pockets. They are everywhere in the country. Every city, every region has them. In a few places there is scarcely anyone else.

The third paragraph goes far beyond Eve Edstrom. She says:

One out of ten Americans is living in abject poverty.

Bagdikian says in the third paragraph:

At least 36 million Americans, 1 in every 5, are poor.

If Mr. Bagdikian's figure is correct and it makes no difference whether one-tenth or one-fifth of our people live in misery—whatever their number, whatever their proportion percentagewise to the total, this is an imperative challenge.

I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibit No. 2.)

Mr. GRUENING. Mr. President, knowing that, owing to the inaction of Congress on this matter of caring for our own destitute citizens, I know of only one service I can render temporarily—while continuing to work for action on either the bill of the Senator from Michigan [Mr. McNAMARA] or my bill to restore funds to the accelerated public works program—and that is to cast my vote—one of very few, no doubt—against the Senate's multimillion-dollar increase in foreign aid. Then, when we have taken care of our own, I shall feel disposed to support a reasonable foreign-aid bill.

I voted for the foreign-aid bill when it came to action, and the authorization bill after 3 weeks' debate, because I felt it had been substantially improved by the amendments, some of which I sponsored. Regrettably, many of the amendments were deleted in conference. The con-

ference, taking out amendments which had the overwhelming support of the Senate and the House, and conforming with overwhelming public sentiment, made a cut which in my judgment—as I believe I have demonstrated by the specific fact—is ample to allow the program to continue on a generous basis.

I am in favor of foreign aid. I shall continue to work to improve the program. I shall continue with some of the fervor which others have given to the foreign aid program, I hope, to insist that our first, foremost, and prior obligation is to the destitute, the unemployed, and the people of the United States living in abject poverty and in misery. That is our first, foremost, and prior objective.

Mr. President, I yield the floor.

EXHIBIT 1

[From the New York (N.Y.) Times, Dec. 18, 1963]

WASHINGTON—We know what we want—but are we ready?

(By James Reston)

WASHINGTON, December 17.—President Johnson told the United Nations today that "the United States wants to see the cold war ended, once and for all." But what if it happened, or even began to happen? Would the United States be ready?

There is already trouble ahead for a great many American communities, because the U.S. Government's plans to cut military expenditures are running ahead of the plans to convert to useful civilian occupations.

The recent decision to close some military bases and the ensuing cries of anguish from the communities involved are merely an indication of the problems ahead.

Secretary of Defense McNamara has given a dramatic estimate of the Nation's military superiority over the Communists within the last month. He has said that it should be possible for the United States to maintain this superiority "without overall increases in our defense budget. * * * The defense budget will level off and perhaps decline a little."

THE UNEMPLOYED

Meanwhile, the unemployment figure for November was 4,292,000, or 5.9 percent of the work force—up from 4,177,000 in January of this year—and while 80 percent of the people are enjoying unprecedented prosperity, about 20 percent, or over 30 million, are living on what the Government calls poverty standards.

This confronts President Johnson with two questions: first, whether the coming savings on defense are to be allocated to human needs for jobs, houses, schools, and hospitals in the city and country slums; and second, whether the defense cutbacks are to be cushioned by an effective plan of reconversion.

There are small reconversion committees scattered through the various departments and agencies of the Government: in the Department of Defense, the Disarmament Agency, and the Council of Economic Advisers, to mention only three.

Walter Heller, the Chairman of the Council of Economic Advisers, talked to President Kennedy last summer about pulling these committees together into a Presidential Conversion Commission, but no decision was taken on this before the assassination.

Meanwhile, Senator McGOVERN has introduced a bill to establish a National Economic Conversion Commission, and Negro leaders have talked to President Johnson about using the defense cutbacks as a means of dealing with the plight of the slums.

The defense cutbacks have started, however, and a look ahead at the production of

nuclear weapons indicates just how serious this problem is likely to be as time goes on.

CURRENT SPENDING

At the present time the Government is spending over \$1.5 billion a year to mine uranium, convert it into U²³⁵ and plutonium, and process it into nuclear weapons. President Kennedy announced that we had a nuclear capacity in being to kill over 300 million human beings in a single hour. Secretary McNamara has said that we now have "more than 500 operational long-range ballistic missiles" in addition to the Strategic Air Command, over 500 bombers on quick ground alert, and "in stockpile or planned for stockpile tens of thousands of nuclear explosives for tactical use."

The need for the raw materials and the production of these raw materials into fissionable material for weapons will accordingly decline over the rest of this decade. Already this year savings of "tens of millions" are planned in the production of fissionable material, though the mining costs and weapons production costs will remain about the same.

Eventually, however, whole towns will be affected. The Hanford, Wash., plant for example, now employs over 6,000 and is the sole economic support of Richland, Wash., a town of over 25,000.

THE APPALACHIAN PROBLEM

Other towns likely to be affected are Oak Ridge, Tenn., Paducah, Ky., Portsmouth, Ohio, and Savannah River, Ga., among others. This is not an emergency problem. Nobody here is talking about closing up these plants in the foreseeable future, but conversion takes a long time.

The Atomic Energy Commission is the biggest user of electrical power in the country (6 percent). Its purchase of coal is a major factor in keeping the coal mines going in some of the poorest regions of Kentucky, Tennessee, Ohio, and Illinois, and therefore plans for the future of these already depressed areas are important.

This is the kind of problem that is likely to plague President Johnson. The foreign front was President Kennedy's major problem, but the home front is likely to be Johnson's, and the need for some effective way to convert from the cold war to the slum war is likely to be more urgent with every passing month.

"Hunger, disease, and ignorance," the President said, were the enemies of the United Nations. But they are also the enemies of one-fifth of the people of the United States.

EXHIBIT 2

THE INVISIBLE AMERICANS

(By Ben H. Bagdikian)

There is a world inside the United States where the American dream is dying. It is a world where, when it rains at night, everyone gets up to move beds away from the leaks. Where there is no electricity—but refrigerators are valued to keep food safe from rats. Where regularly at the end of the month whole families live on things like berries and bread. Where children in winter sleep on floors in burlap bags and their lung X-rays at age 12 look like old men's. Where students drift hungry and apathetic through school and their parents die 10 or 20 or 30 years earlier than their countrymen.

These are the poor. They are not just the psychological cripples. Nor are they located only in small, isolated pockets. They are everywhere in the country. Every city, every region has them. In a few places there is scarcely anyone else.

At least 36 million Americans, 1 in every 5, are poor. They are the men, women, and children who don't come close to living under minimal standards of food, shelter, and medical care. They are not basically

different from their fellow Americans. But they have had the bad luck to be born in a poor region, or to be trained for a dying or automating industry. They may have dark skins. They may be sick. They may have lost their jobs after they were 40 years old—too old to find new jobs but not old enough to die. Or, like the American Indians and the small farmers, they may merely have been born into an obsolete culture.

The poor in 1963 are largely invisible. They are concealed by modern apparel—all Americans tend to dress casually and, with modern dyes, most old clothes remain unfaded. They are also hidden by the new shape of the metropolis, where the most wretched people are unseen in the central cores of cities while their comfortable compatriots are gone to the suburbs. Finally, the poor are obscured by the national average. Since World War II it has been taken for granted that the United States, with the world's highest standard of living, has eliminated poverty. For 80 percent of the population this is true, and this 80 percent assumes it is the same for all.

The American poor are incomparably luckier than the poor of Asia and Africa and the Middle East, who die by the hundreds on the streets. But poverty is measured according to the standards of a man's own community.

If most of America is well fed, the man who can't find three meals a day for his family is poor. If most of America has modern weatherproof housing, the man whose home is leaky and has no piped water is poor. If most of America has enough medical care to stay alive until age 70, the man who can't afford to live beyond age 55 is poor. Such a man is poor statistically. But he is also poor in a far more damaging way: He is a failure in his neighbor's eye and in his own.

Most of the poor are helpless victims of a social upheaval they could neither foresee nor control. Farms are becoming great mechanized operations, surviving through science, size, and big investment. In the process, country people are being squeezed off the land—more than a million a year—and are fleeing to the cities.

The traditional urban foothold for the novice from the country is the unskilled job, and this is being eliminated by automation. Nevertheless, the city has much excitement, some jobs, and a tradition that the starving shall be fed. At this moment, millions of rural Americans are merely waiting for the busfare or the hint of a job, or for the last vestige of family loyalty to die so that they can flee the rural misery they know for the risk of urban misery unknown.

Willie Johnson is a short, stocky West Virginian. He is 55 years old, which means that society expects at least 7 more years of work from him before he qualifies for a social security pension. Like his father, he went into the coal mines at age 13 and worked steadily. Twelve years ago he was earning more than \$100 a week. Today, he earns nothing. He will probably never work again.

"If a man looks hard enough," the middle-class belief goes, "he will find some work." This is hard to believe in Logan County. It is one of the 230 counties of southern Appalachia, the beautiful mountain region that runs from West Virginia to northern Alabama, where 7 million Americans are gasping from economic suffocation. In all of Appalachia the three main ways to earn money—farming, lumbering, and mining—need ever fewer men. In Logan County, where mining is the sole source of money, there were 14,000 men in the mines in 1954 when Willie Johnson last held a job. Now there are only 3,500.

With 10,000 families out of work in one small county, the men who get no welfare because they are not crippled or have no dependents live in abandoned shacks or

friends' woodsheds, and no one is sure how they stay alive.

Willie Johnson's family is on maximum relief in the county. Each month they get \$165. Rent is low, \$27 a month (four rooms, leaky roof, no running water). Electricity is \$7.50. This leaves \$130.50 for everything else.

With eight children at home, it is not an easy choice between shoes, books, and food. Books in the public high school cost \$28 a year; this can be prohibitive. When he was in the ninth grade, the oldest son, young Willie, dropped out of school so the younger ones could stay in.

"First 2 weeks we have it right smart," Willie Johnson says of their diet. Breakfast is eggs, salt pork and brown gravy. Lunch is a bowl of pinto beans. Supper may be 2 fryers for 10, potatoes, beans, milk for the children and coffee for parents.

The last 2 weeks bring a pinch known to millions of the poor. By then, small catastrophes have occurred—a schoolchild's shoes have literally fallen apart and one has to spend \$4 for a new pair that will disintegrate in the first rain, or \$8 for a pair that will last. The night they had an unexpected visitor the 10 Johnsons were having berries picked from the back hill, mixed with flour. It was the 25th of the month, with a week more to go before the next welfare check.

For two Christmases there have been no presents in the Johnson household. The children have never seen a movie. An old television set is broken. The last time a doctor was in the house was 1951. Recreation? "I don't know the meaning of it," Willie Johnson said without rancor.

He mostly sits on his sagging porch in a sagging tubed chair, looking at the melancholy hills around him. From his chair he can see, high and shadowy on a distant ridge, a strip mine that produces 40 railroad cars of coal a day. When he was young, it employed 500 men. Today it produces the same amount of coal with 20 men. Young Willie spends a lot of time sitting on the porch too.

Johnson goes to bed at sundown, in one of the 4 beds in which the 10 members of the family sleep.

"I pray every night. My boy, he wants to be a mechanic. This girl of mine, she's 14, she wants to be a teacher. They talk about this and while they're talking I'm hoping and at night I pray: They've got to get out of here."

The farmer has always been the folk image of the perfect American—hardworking, self-reliant, prospering from his own labor and beholden to no man. Farmers and farmworkers are today among the poorest people in the United States. Forty acres and a mule no longer will support a family. It takes at least 325 acres for an average American standard of living, plus good credit at the bank and heavy investment in fertilizers, weed killers and complicated machinery.

The brutal fact is that most farmers are not really needed anymore. Fifty years ago each one grew enough food and fiber for 7 people; today he provides for 24. It is not surprising that in the last 10 years 8 million Americans left their farms for the cities. At this moment there are over 1.5 million young men between 10 and 19 growing up on farms, but in the next 10 years there will be only 150,000 openings for farm operators. Yet most farmers still retain their compulsive desire to make things grow, and their bitter love for the land.

Columbus Cooper is 57 years old. His father owned his own farm and divided the land among his male children. Cooper started clearing his 26 acres when he was 16 years old. He built his present house with his own hands, an unpainted pine clapboard cottage. On a rainy day recently he looked out on his land in Sumter County, S.C., at the sagging tobacco shed, the drizzle glisten-

ing on the small tractor and moistening the rust on his 6-year-old car. For him, too, the revolution was a perpetual puzzle.

"Things are kind of standing still. That's what's worrying me. I'd like to redeem myself, but the expenses are growing. Things could break bad for me if I can't stop this expense and pay back my indebtedness. * * * Sometimes I can't sleep nights trying to solve my problems."

It is generally agreed that a farmer in the United States, if he wants to live at an ordinary standard of living, needs to gross at least \$10,000 a year cash income. Columbus Cooper, with a family of 12, grosses \$1,500.

He is no rarity in American farming. There are 350,000 full-time family farms that average \$438 a year in sales. Because he is a Negro he is worse off than most. More than 40 percent of all Negroes in rural areas have less than \$1,000 a year income. Rural whites are better off, but not much; 50 percent earn less than \$3,000; 20 percent, less than \$1,000.

Cooper, a thoughtful man who dresses neatly and looks out steadily through shell-rimmed glasses, cannot quote national statistics. But he knows that 4 years ago he had to mortgage the farm for the first time for \$2,000 at 7-percent interest. Since then he has reduced it to \$1,500, sometimes with bales of cotton. But each year he has less money to start the next crop and has to borrow for seed, fertilizer and fuel to cure his tobacco.

He grows most of the vegetables they eat—cabbage, collards, turnips, peas, beans—and spends \$600 a year for store food: rice, flour and occasionally stew meat. If the cow is milking, the children get milk. In summer he and the boys may catch pike, bream or catfish. In winter and fall they hunt for squirrels, which Mrs. Cooper boils and then fries.

He pays \$400 a year on his tractor, \$85 for kerosene to cure his tobacco, \$200 for fertilizer. Clothes, mostly shoes, cost about \$150 a year. All his older children finished 12th grade and the rest plan to; he carries heavy insurance—at \$200 a year—to try to guarantee it. But this already is \$1,635, and provides nothing on his mortgage or on the \$300 he still owes on his car. Nor for medical and dental bills. Or anything else.

Mrs. Cooper is a younger, round-faced, serious woman who thinks she works harder than her mother, who worked very hard. "I do a lot of mending and altering hand-me-downs, but you know older girls in school."

Their living room was neat (the roof leaks in two or three places but not bad) with clean yellow curtains on the windows, an old but scrubbed linoleum, two sofas used for sleeping in summer (there are seven beds for 12 people), and a piano given them by an aunt in North Carolina.

"Jo Earl, she's 15, takes lessons. They cost 60 cents a week. It's a lot for us, but I think the girls ought to have something like that," Mr. Cooper said.

At Christmas they spend about \$2 for each child. "Birthdays, there aren't presents, but we do eat something special, like chicken or sweetbread."

A doctor was last in the house 4 years ago. When toothaches are unbearable the children go to a dentist in town at \$3 a visit.

When Cooper wishes out loud, he wishes he could pay cash to start each crop instead of going into debt. He wishes he could get a Government loan to clear 20 more acres and thus increase his income.

"But mostly I hope my kids do better than I'm doing. They'll have to achieve something on their own, and they'll have to study for that, learn modern farming, or a trade like brickmasonry. But I hope they won't have to leave home. Oh, I hope they won't. But I want them to do better than I have."

"Those who labor in the earth," wrote Thomas Jefferson, "are the chosen people of God."

But Jefferson didn't know the migrant workers, the 2 or 3 million Americans who work on other people's farms. They move like nomads from farm to farm and from State to State. They live in the worst squalor, the most hopeless family chaos, and the most ignored poverty of the American poor.

Theirs is a strange existence. Their seasonal movements are charted on maps like those of the birds, but more is known about birds than about these human beings. They are almost outside the normal workings of American society—except that their hands pick the Nation's fruit and vegetables.

They are constantly crossing State lines, but are exempt from Federal minimum wage laws for workers in interstate commerce. They are almost never eligible for welfare, since they do not live long enough in one place. They do not get unemployment compensation when they are out of work, or workmen's compensation when they are injured.

In 1960 the average migrant worker earned \$1,016. Where there are families, they all work. It is hard to get anyone to admit there is still any child labor, but in 1959 a special U.S. census showed 457,000 children between the ages of 10 and 15 employed in agriculture.

If you drive north from Miami on route 441, you will see no sign of migrants unless, somewhere along a 30-mile stretch north of Fort Lauderdale, you turn off onto dirt roads, bump into still smaller roads and run into one of the 90 clusters of shacks in the tall grass where 35,000 migrant workers work during the winter. They hope to earn enough money to move north for picking in the summer, and then have enough at season's end to get back south again.

This year desperation ran through the camps. One Thursday it began to rain in flooding sheets, and 2 days later the last of the bean crop was ruined. It was a severe financial loss for the farmers, but it meant starvation for the pickers.

Mildred Mason—not her real name—is 18 years old. She had an illegitimate child when she was 15, but the baby died of dysentery. This is not unusual. She now is legally married, has two healthy children and appears to be in firm control of her life. This is unusual.

She and her husband Joe live in a one-room shack. There are no windows, only hinged boards. Fleas and flies are so thick nobody troubles to brush them off anymore. The only source of heat and cooking is an open fire outside their doorway.

Water comes from a pump that serves 11 other shacks.

Mr. Mason can make \$36 or \$42 a week, and Mildred makes \$20 or \$30. But they do not make this every week. In 1959 the average days worked by all migrant workers was 143, and work gets harder to find as automatic machinery learns to plant, weed, and pick. Cotton used to be a \$6-a-day crop 6 months a year. Now it is closer to 60 days.

Yet migrants continue to appear, like the Masons coming mostly from sharecropping, where there is now no work whatever.

The Masons see the handwriting on the wall but do not know what to do about it. Last May they left Florida after 6 months' work with \$25 to show for it. They arrived, 2 days and nights of continuous riding later, in Cedarville, N.J., with \$14 left. The strawberry crop in New Jersey was 10 days late, so they—two adults and a child, with one on the way—tried to stretch the \$14 until the crop was ready. After a summer of picking—with time off while she was sick—they returned to Florida with \$3.

Mildred Mason is slender, solemn, and possessed of an uncommon poise. But now she spoke in a rush: "I don't want my husband picking crops anymore and I don't want my children to. I'm tired of worrying about

crops being ready, worrying if it's going to rain, worrying if there'll be a storm. I want food for my kids, a house that doesn't have rats or bugs, that has windows in it, a house where the wind won't come through the wall and the rain won't come in like there was no roof at all. I want my kids to have an education. It's awfully hard to get a job without an education. We're good pickers. But I never in my whole life had more than \$40 cash at one time. Right now I don't have a single penny."

Her eyes filled and she looked fierce as her 6-month-old child crawled to her feet and stuck a fist into his mouth.

"I don't have a single penny and no food. But I don't care. I don't want to go up that road anymore."

Jose Chico is a powerful, barrel-shaped American Indian who calculates that he is 61 years old. During the first 30 years of his life he lived pretty much as his forefathers did in the year A.D. 1500. Like others in the Papago tribe in southern Arizona, he dwelt in adobe houses, grazed cattle, coaxed crops out of the grudging soil, hunted deer and rabbit in the mountains. The tribes were ruled by village elders in remote family clusters in what is still some of the most lonely and inaccessible inhabited land in the United States. Their ancestors have been there for about 5,000 years and, like most of the 500,000 American Indians, his people are repulsed by personal aggressiveness and by failure to work for family and tribe. The mastery of the quiet Indian was his instinct for catching deer, his ingenuity in trapping flash-floods to sustain desert gardens, the incredible sensitivity to the austere land and its life. But now this is all wrong. The lack of personal aggressiveness a competitive labor market becomes apathy and laziness. The sensitivity to nature becomes quaint confusion in the city. Family and tribe are no help on the paved streets of Phoenix and Chicago. In less than a lifetime, Jose Chico's world has leaped ahead 500 years.

Jose Chico, cataracts forming over his eyes, peers over the desert range, at the giant cactus, the golden paloverde trees, the scarlet punctuations of the ocotillo, the purple mystery of mountain and mesa—the visible evidence that the tribe is rich in nature, since they own 4,000 square miles of this land. Yet starvation is endemic among them.

Like his father, he still coaxes a usable garden out of the desert, he still does some herding of cattle for others. In addition, he picks some cotton to make about \$500 a year to support his wife and five children. He gets surplus Federal foods. But still there is not enough cash.

Two of his sons attend a mission high school in New Mexico, their tuition and board paid by the church. But he got a letter saying they needed shoes. The \$30 he had saved for food for the month of May went by return mail.

Jose Chico stood by the corner of the well-made adobe house and the neat ocotillo-branch corral he has proudly maintained his whole life. He was somber. What did his children plan to do to make a living after they finished high school in New Mexico?

He stared at the questioner as long as it is courteous for an Indian to look at anyone without speaking. Then he looked back at the shadows stretching out over the desert.

"I don't know," he said. "Come back home with me, I think. Maybe, I hope."

"George, you obscenity head. You know what today is? You know, you dumb bastard? Today is Sunday, April 14. Easter. And you know what that means? That means a bottle wine is gonna cost you 85 cents."

A half-human sound: "All I got is an obscenity 70 cents."

"Thass what I'm tellin' ya, you cheap obscenity. The only way you're gonna get

a bottle today is from the bootleggers. There ain't no 50-cent bottles today. There ain't no sales."

The animal sound came plaintively again. "All I got is 70 cents."

"Why, you cheap bastard. You got 5 bucks downstairs advance rent. Go get it, you cheap bastard. You know today's Easter."

From a distant cage a voice groaned.

Nearby someone vomited.

Another voice cried out in sleep.

You walk down both long flights of stairs, past the flophouse sign that reads, "Clean, quiet, no drunks." Outside, a man's body was sprawled across the curb, half in and half out of the gutter, an empty wine bottle near his hand.

The Easter sun was just up, pouring yellow, horizontal and thick down West Madison Street like a searchlight. There was no sound, but moving ghostlike through the blinding light were dozens of men, shuffling, wandering, moving noiselessly in the middle of the street, along the side of buildings, men who walk all night because they have no place to sleep or who have slept in doorways and are in the sun trying to warm muscles gone stiff from sleeping on concrete. A few purposeful men already rifle the trash barrels for the treasured empty bottles, worth half a cent each toward the golden goal of 50 cents, the price of 1 pint of red fluid marked "port," which acts on foodless bodies to produce a strange narcosis through which some men choose to die slowly, all for 50 cents a pint. Except that this was Easter and you would have to spend at least 85.

This was Skid Row in Chicago, one of the areas in the country's 100 largest cities where men congregate to accompany each other over the edge of civilized life and then over the edge of life itself.

But these wrecks are not typical of the poor. They are only a few hundred thousand of the more than 30 million poor. Actually, they constitute only 60 percent of Skid Row inhabitants. The rest are aging bachelors, maybe former seamen or truck drivers, who have come to Skid Row to live as cheaply as they can or because they prefer its naked drama to life in a respectable middle-class rooming house.

My flophouse "room" was a steel cage, a windowless hole with ugly mustard-colored corrugated steel walls. It was 8 feet long, too narrow to stretch the arms wide in, and 8 feet high, the top covered with chicken wire. Inside was a locker, a broken wooden stool and a cot with one sheet, one blanket and lice. On the whole floor of the building—where my cage was No. 270—the stench was solid, sticking in the throat for days after, a mixture of urine, vomit, dirty socks, sweaty bodies, and smells unidentifiable. It was a place easy to leave for the rough excitement of Saturday night on Skid Row. For the huge bar—"Full shot beer, 25 cents"—where a casual inquiry brought a cold, "You ask too goddam many questions." For the all-night movie: "It's a good joint; they let you sleep but you gotta watch out you don't wake up and maybe your shoes is gone." Or the mission where a lugubrious sermon on Sodom and Gomorrah was preached to 18 soundly sleeping men.

Back in the flophouse the sounds are much like those of men dying. The maids usually find one man dead each morning among the 38 flophouses.

"O Lord," an old man's voice cried out in the night. "O Lord, have mercy on my soul. O Lord, I'm sick. I'm dying. Please O Lord, please have mercy on my soul."

A voice from the next cubicle barked, "Shut up, you bastard."

Other men got the shakes as they lay on their cots, the terrible shivering of a man addicted to wine and now having withdrawal symptoms cured only by a new drink. Only during their fitful sleep do fragments from

the past float to the surface of men's minds, like the cry in the night, "Where's my dad? Where's my dad?" and the wild sobbing.

Edmund MacIntosh had been depending on the theory that hard-boiled eggs and opened cans of meat need no refrigeration. And he was sick.

He had also depended on the theory that if you work hard, live frugally, and mind your own business you will get by without help. And now he was 74 years old and needed help.

MacIntosh, to use a descriptive but not a real name, depended on hard-boiled eggs because his Los Angeles hotel room has no refrigerator, and he cannot afford to eat out. He is trying to live on his \$50-a-month social security check. Room rent is \$38.50 a month, which provides a room with clean linen every 2 weeks and clean towels every day. The remainder goes for food and chewing tobacco. Every week friends on the same floor do his shopping for him: two dozen eggs, seven small cans of V-8 juice, two cans of meat, a carton of dry cereal and his tobacco. He boils the eggs at once and eats them morning and evening. He stretches a can of meat for 3 days or so. He has just discovered that hard-boiled eggs and canned meat need refrigeration in warm weather.

MacIntosh has a solid, dignified manner, even as he lies on his bed, propped on an elbow, his square-jawed face ashen. He looks vital, but he has dizzy spells, and so fears to walk outside. "I'm afraid I'll fall down, and the cops will think I'm a wino. That happened to a friend of mine, and when I couldn't find \$21 bail money for him he got 30 days."

His response to the present problem is one of hurt rather than anger. He was always able to earn money. He finished high school in North Carolina and 2 years in a military institute. He was in the Navy in World War I, married a Georgia girl, had a daughter, and after the war bought a newsstand on Times Square in New York and made \$2,500 a year. When the depression ended that, he worked in a Baltimore hospital, then in the late 1930's got back to newspaper distribution in Washington at \$3,000 a year. He joined the Navy the day after Pearl Harbor and was on a troop transport at Midway when he got a letter saying his wife was getting a divorce.

After the war he became a watchman at a California air base for \$38 a week with free room; then a railroad guard at \$80 a week, until 1954, when the railroad began laying off men.

Then he came to Los Angeles—"because it's warmer here, and that helps"—and began doing a variety of odd jobs. He had a regular clientele for lawn cutting until automation reached him in its own way. "People began getting those power mowers. That was the end of me."

He had known he was eligible for social security but let it pile up. When the power mowers took over, he collected an accumulated \$1,250 and began his \$50 a month. He bought a suit of clothes and prepared for the rest of his days. But it became apparent \$50 a month would not care for the rest of his days. He sold his TV set when he was economizing. But this only brought \$15.50. He is down to \$250 of his nest egg and needs medical care for his stomach, his dizziness, his failing eyesight. And he needs something to help through his loneliness. "I got a letter a year ago. It was from the bank telling me how much I had left."

Edmund MacIntosh is one of 8 million Americans who form the aged poor. He lives, or tries to, on \$600 a year. There are 1.5 million lone individuals who live on less, tucked away in the cheapest rooming houses. Millions of others live in poverty as couples. These are the lonely old people known mostly to welfare workers, to postmen delivering the social security checks on the first of the month, and to the firemen who carry the

elderly outdoors when an alarm flushes them out of the geriatric warrens.

When Edmund MacIntosh was a boy, there were fewer than 4 million Americans over 65. Today there are more than 16 million. In 1920 more than 30 percent of the aged were working, today only 20 percent work. Science is keeping them alive longer but it is taking away their jobs, making them obsolete.

MacIntosh did nothing wrong in planning for his old age, but his plans were not good enough. And now he needs help.

"What I need most is medical attention. I need a suit of clothes. I'd like to go to church. I'd love to go to a picture show. And if I had some good company, I guess that would be pretty good."

Into the cities they pour, refugees from a silent revolution.

We are in the midst of a great upheaval in American life. In the last four decades 27 million people have flocked to Metropolis. It is a greater migration than the one from Europe, which at its height—from 1880 to 1920—brought 21 million newcomers to America's cities.

In Chicago the white folk from the countryside come mostly by Trailways bus, carrying all they own—a suitcase tied with rope, an old trunk, three shopping bags, a folded baby buggy, a bag of grits—and clutching a letter from a relative, who came earlier, with an address and a warning: "Don't take the cabs, they'll cheat you."

If they are colored, they come mostly by that great iron artery in southern Negro life, the Illinois Central Railroad, getting off in awe under the largest building they ever saw, carrying their old suitcases and trunks, cardboard boxes with colthes and pans—and they, too, bring a carefully written address, an address that may no longer exist, because newcomers go to the slums, and massive redevelopment is turning numerous urban slums into vacant lots or luxury apartments.

If they are American Indians, they may come in rickety old cars from the Dakotas and Utah and Arizona, fleeing the hunger of the reservations, making Chicago the fourth-largest concentration of Indians in the United States.

But it is not just Chicago. It is the same in New York, Los Angeles, Philadelphia, Detroit, Cleveland, Washington, Atlanta, St. Louis—all the great cities. Almost all of the newcomers are poor, and most of them remain poor.

There are enormous differences in each person's response to adversity, and this has led to the assumption by some people that poverty makes one more noble. This was never true for most of the poor, nor is it now. Yet the belief persists that the poor, compared with the affluent, ought to be more honest, more resourceful, more puritanical, more disciplined, more resilient against despair, more emotionally stable and simultaneously more aggressive and more submissive. They are not. Poverty is the pressure of living at the bottom of the social sea, and this pressure finds the weakness in every personality. Poverty is dirty, hungry, cold in winter, broiling in summer, and worst of all it is lonely and self-reproaching.

The modern American immigrant comes at an unhappy time. The unskilled job, foothold for the newcomer, is being replaced by machines. From 1947 to 1961, twice as many new people entered the labor force as there were new jobs to be had. From 1957 to 1962, industrial production went up 20 percent, but there were 1 million fewer factory jobs. The new openings are in white-collar, professional and managerial work, and these are the jobs for which the untrained poor are totally unsuited.

Today's cities are stranger to the American rural poor than were Boston and New York to the European immigrants of the turn of the century. All Americans two generations

ago were learning to live in the city, and the Europeans often were city folk of long standing. Today's rural migrant comes from simple homes and shacks. Back in the small towns whole lifetimes were spent in face-to-face personal relations that stayed stable. But in the city these are replaced by impatient people who talk fast, and demand applications in triplicate. The punctuality and impersonality of city jobs seem depressing.

In school the children of newcomers are, in the fifth grade, two grades below city children of the same age, a reflection of the slower-paced education that existed where they came from.

The final irony is that today it costs more to be poor. Children must go to school; thus law as well as custom demands a higher standard of living. And the family without a car is lacking what has become a basic tool of American living: The factories and shopping centers have fled to the suburbs, as have the experienced city dwellers. The poor find it harder to compete for jobs, and they pay more for their food than those with cars. They feel more isolated than ever.

"You mean you want to take a look at a hillbilly?"

Homer Bureigh, 33, out of Anniston, Ala.—hefty, freckle-faced, and sandy-haired—stood in the doorway of his flat, dressed in T-shirt and slacks, immobile with resentment. Like 20,000 other southern whites now living in the 2½ square miles of Chicago's Uptown, he has his troubles, his pride, and an innate suspicion of the city slicker.

But he is too good-natured to stay sullen. Inside, four of his five children, ranging from 2 to 7 years old, ran about in underpants. His wife, a wan, tired woman, was pregnant. The 5-year-old chanted at the visitor, "You got on a necktie. You got on a necktie."

Once Homer Bureigh decides he likes you, he is an engaging man. His mother had died when he was 3. As he tells it, he had fought with his stepmother, gone with an uncle to Detroit; and, by persistent trial and a winning honesty about his lack of experience but his desire to learn, was soon earning \$100 a week. Two years later, with a 1940 Chevrolet and \$3,000 in savings he went back to Anniston. "Between me and the car and a few goodlooking women, that \$3,000 didn't last 10 months."

Like many southern white men, he shifted from the North, when plants shut down or work slackened, to the \$40-a-week jobs back home in Alabama. Then he met his wife, a waitress with a child by a previous marriage. They decided to get married and try Chicago. Four days after his arrival he was earning \$100 a week on a punch press.

In the next 7 years there were four more children, more rent, more food, more medical bills. They learned to make his pay stretch fairly well until work began to slacken. He couldn't support his family on less than 40 hours' work, so when his plant went on short time he went out and found another job working full time. But this meant he built up no seniority, and when the new plant had to lay off men, he, being the last hired, would be the first fired.

A familiar set of walls moved in on him. Machine shop work in the city went on shorter time. He had the almost universal desire for a car and the \$60 a month on his 1954 Pontiac became harder than ever to squeeze out of his \$300 take-home pay. He developed running sores under his arms that interfered with his work. The finance company attached his pay. So Homer Bureigh committed folly. He got a new social security number and drew his pay under another name, to balk the finance company.

A doctor gave him a letter saying he should not work. He applied for welfare aid, which would take about 2 weeks to be processed and during those weeks he kept on working.

When I saw Homer Burleigh, his welfare had been cut off because of fraud. He did not know what would happen about the social security number. He said the finance company had seized the car. Because he was out of work and without welfare aid for a month, he had fallen behind in his rent, and he was going to be evicted in 4 days. Already the furnishings of normal life were beginning to fall away. One room of the flat was bare except for a sewing machine in the middle of the room, one chair and a caged parakeet in the corner. The living room had two pieces of furniture, a sofa and a TV set.

"If the arm continues this way and if they don't give me assistance," he said gloomily, "I'm going to have to put the kids in a home."

Homer Burleigh is a likable man who reacted foolishly to a crisis. Whether society punishes him is yet to be seen. But there remain his wife, five children and a sixth expected, and whether they head down the road to perpetual dependence upon others will be governed by how farsighted society is in dealing with the poor, the foolish, and the unlucky.

"I'm going to be a lawyer," said Harry, aged 6. "Lawyers make good money. I'm going to keep my money."

"I'm going to be a doctor," said his 7-year-old brother firmly, "and I'm going to take care of my family."

Their 8-year-old sister announced serenely, "I'm going to be a nurse in a big hospital and wear a real uniform and help people."

The sweet optimism of youth could have been heard in millions of American homes, but this home was rather special.

Though it was midafternoon, the tenement was dark. Gray plastic sheeting was tacked to the insides of the windows. Plaster was off part of the ceiling and walls, and strands of hair on laths trembled with the passing wind from outside. Double doors opened onto the kitchen, which was almost invisible. Its windows, too, were sealed with opaque plastic, presumably to preserve heat. But the darkness was thickened by a crisscross of clothes-lines that filled the room with hanging rags of clothes. In one corner of the kitchen was a table with three legs and one chair. In another was a stove bearing a pan of cold soapy water with clothes soaking, next to it a pan of cold beans and beside that a crusted frying pan bearing one single short rib congealed with fat. Through one kitchen door was a bathroom with the toilet boarded over; it had frozen and burst in the winter cold. Through another door was "the kids' room," two beds for seven children. Neither bed had a mattress; the children slept on the springs.

"Look at this book I got from school," Harry said. "Want to hear me read?"

Harry read about Dick and Jane and their dog, Spot. Dick and Jane were clean-cut, well-dressed Anglo-Saxon children who lived behind a white picket fence in a red-roofed cottage with geraniums in the window. Their mother was a smiling blonde with clear, square teeth. Their father wore a snap-brim hat, a conservative suit, and carried a briefcase. And they all lived happily in a schoolbook called "Friends and Neighbors."

Little Harry might as well have been reading science fiction. His own family had never in his memory eaten a meal together—there were not enough chairs, dishes or forks. The mother's role or the oldest daughter's at mealtime was to watch as each child took a portion of the pot on the stove to make sure no one took more than his share.

But Harry was still eager to please. He had not yet learned that other people expected him to be like Dick and his sister to be like Jane, to have parents like Dick and Jane's, to live in a house like Dick and Jane, and that as a Negro slum kid all of this was as remote to him as the canals of Mars.

And unless he were uncommonly lucky, this book and the school would soon seem as remote.

The Martins—a fictitious name—are living off welfare. They came from McCrory, Ark., 6 years before, and Martin got a job at \$84 a week in a meatpacking plant. Last year the plant moved away, and the family went on welfare. Last winter a newborn child whose crib was a supermarket basket died of pneumonia, Martin began drinking and has been more or less drunk ever since.

Mrs. Martin looks weary and bewildered, huddling in the perpetual twilight of their tenement, fearful of the outside world. She was hard to picture as a young woman entering a new city with excitement—until I asked when she had last bought a dress. She stared blankly and then for the first time her eyes lost their emptiness and she smiled. Her voice had a kind of life it had not had before, so much so the children stopped talking and listened in amazement.

HER LAST GOOD DRESS

"It was 6 years ago. We was making good money at the meat plant and he took me out to a dress shop. When he saw how much I liked that dress, he said, 'Honey, you get it.' It cost \$30. Oh, that was a dress, I mean it really was a dress. It was pink, and it was cut a lot lower than this one and it had sequins all over, and they shined and shined and the pink was so pretty."

The girl from McCrory, Ark., was for the first time identifiable as a woman with a range of emotions. Then the face began to sag again. She wiped her hands automatically on the side of her stained dress, and one could see that her slip was held up with pieces of knotted twine.

Outside, Sister Mary William, the young, tall, indomitable Irish nun who strode through Chicago's West Side, looked down the endless line of row houses, at the trash barrels lolling on their sides, the broken glass laid like a glistening carpet as far as the eye could see. It was the sight her own father had looked at when he first visited from St. Louis and asked his daughter in dismay, "What was it you did that was so bad they sent you here?"

She crunched the broken glass under her awkward black shoes and said, "You figure out what's going to happen to Harry Martin when he finds out he's never going to be a lawyer. And his brother's never going to be a doctor. And his sister's never going to be a nurse. The worst most of us have to resign ourselves to is that there's no Santa Claus. Wait until this hits those kids."

Poverty is like cancer. Left to itself, it will generally get worse. There is no simple cure. And elementary humanity requires that the sufferer be cared for.

Welfare payments are inescapable. Families in the city cannot create their own food and shelter without work, and in a rapidly developing industrial country it is inevitable that some men will have their work suddenly withdrawn. If the poverty that follows is not to be multiplied by the deprived children, and if industrial society is to remain civilized, such families cannot be left to starvation and exposure.

Yet simple money payments do not solve the problem. What is needed is intelligent work to help the poor to self-sufficiency. Many need to be taught the subtle skills of city living. The unemployed have to be kept in touch with jobs and new skills, for the poor live in isolation from the world of success.

The best work among the poor is done by those who live among them. The poor are submissive, but they are also suspicious. It is "us" and "them," and the social worker who is one of "them" seldom gets anywhere.

It is impossible to cross the United States in pursuit of poverty without being impressed by its paradox: the continuing vigor

of the land and the strong pulse of humanity among its people. And yet poverty continues to be the fate of one American in five. This does not mean that America is callous about its poor. It means that most comfortable Americans have come to believe that the poor do not exist at all.

This belief is dangerous. It is easier than ever to avoid seeing the poor, but it is also more perilous. Each year the poor become more densely packed into the centers of our cities, ever more isolated from the hopes and satisfactions of normal American life. While this is happening, the demands increase for education and skill in order to earn a living. Thus, the poor get packed tighter together while their hope of rising becomes dimmer. There are persistent rumors that Communists are running food and propaganda into the starving populations of Kentucky and West Virginia. It would be ironic if they should undermine a proud people's faith in the future, and in the midst of a country that has a strong tradition for helping the unfortunate.

Time is running out on the fuse of poverty. To look into the faces of the poor in America is heartrending but the situation is not yet hopeless.

There is not yet the frozen, bitter cynicism of the Old World poor. Their children are not yet taught to hate those who have money. Their parents, most of them, still feel a sense of obligation to work for something better. The look on Jose Chico's face was one of obstinate hope, on Homer Burleigh's of belligerent pride, on Columbus Cooper's of quiet courage. They still expect—without much proof—that it is abnormal for them to be poor. When that expectation goes, this country will have changed.

"Poverty in the midst of plenty," the late President Kennedy said shortly before he was killed, "is a paradox that must not go unchallenged, because there are men, women and children who need intelligent help."

"But comfortable Americans have another reason for challenging poverty, for to turn their backs on those in need would tarnish the noblest element in the American character."

WHO ARE THE POOR?

Average family income in 1960 was \$6,800, certainly not poor. But average is an abstraction. If a man with an income of \$200,000 a year lives in a mansion and the only other house on the block belongs to his chauffeur, with \$4,000 a year, the average income for that block is \$102,000—which tells nothing about either inhabitant. Something like this has happened nationally.

Half of all American families earn less than \$5,600. Almost one-third earn less than \$4,000; 22 percent earn less than \$3,000; 13 percent earn less than \$2,000; and 5 percent of our families earn less than \$1,000.

The Bureau of Labor Statistics regards \$1,500 in cash and benefits—free food and fuel, for example—as necessary for a lone individual to live modestly. And in 1959 the U.S. Department of Labor surveyed 20 American cities to find what is a "modest but adequate" family budget. The average was about \$6,000, of which a family of four spent about \$4,000 for food, shelter, taxes, medical and working expenses.

If the lowest adequate income for an individual is \$500 and that for a family \$2,000, there are still 20 million Americans who fail to meet those standards. As the standards rise, so do the totals. If the minimums are raised to \$1,000 and \$3,000, there are 36 million poor. If to \$2,000 and \$4,000, there are 54 million.

Assuming that 36 million qualify as poor, one can identify a number of groups composing this total, some of them overlapping. About 8 million live in rural areas, mostly

on farms. About 8 million are aged poor. About 7 million fall into that group of obsolescent citizenry, the "unskilled workers"—people who wash dishes, work in hospitals, drift in and out of similar simple labor. About 500,000 are American Indians. A few hundred thousand are derelicts on skid rows. Among these groups are the semipermanently unemployed: coal miners, steelworkers, meat cutters, auto workers—families of men who once worked for the most respectable wages in industry but who have now been replaced by machinery.

Most noticeable of the poor is the Negro, once concentrated in the rural South, now two-thirds in the cities. Many went from field to factory during World War II and the Korean war, when labor was in demand; but being the last hired, they were the first fired when automation or recession came. Negroes still average 40 percent less than whites in wages and have double the white unemployment rate. They are 22 percent of the American poor—double their proportion of the population. But, numerically, the great majority of the poor are white.

Poverty is not particular to any region. It is a normal reservoir in all rural areas. It is a migratory stream of desperation headed for the cities. And it is now a festering concentration in every metropolis in the land.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 1211. An act to admit the vessels *Fort Town*, *Maple City*, and *Windmill Point* to American registry and to permit their use in the coastwise trade;

H.J. Res. 658. Joint resolution authorizing and requesting the President to proclaim 1964 as "See America Year," and for other purposes;

H.J. Res. 680. Joint resolution requesting the President to designate 1964 as "United States Customs Year"; and

H.J. Res. 848. Joint resolution to provide for the designation of the month of February in each year as "American Heart Month".

HOUSE BILL AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bill and joint resolutions were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 1211. An act to admit the vessels *Fort Town*, *Maple City*, and *Windmill Point* to American registry and to permit their use in the coastwise trade;

H.J. Res. 658. Joint resolution authorizing and requesting the President to proclaim 1964 as "See America Year," and for other purposes;

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. MORSE. Mr. President, I yield myself 5 minutes. First, I should like to have the attention of the majority leader and the acting minority leader.

The PRESIDING OFFICER (Mr. BAYH in the chair). The Chair reminds

the Senator from Oregon that consideration of his amendment has not yet been reached.

Mr. MORSE. First, I am seeking to get parliamentary clearance before I offer my amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I ask unanimous consent that the time required to propound the parliamentary inquiry I have raised shall not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. The pending amendment is the Mundt wheat amendment. The understanding among the leadership is that the Mundt amendment will not come up until tomorrow. That is the agreement we entered into with the Senator from South Dakota. Therefore, it is necessary to agree to lay aside, for the time being, the Mundt amendment and to take up the next amendment. I ask unanimous consent that the pending amendment, the Mundt amendment, be laid aside for the time being.

Mr. PASTORE. Reserving the right to object, the Mundt amendment has not been called up. It is not the pending amendment at all.

The PRESIDING OFFICER. It is automatically stated as a committee amendment.

Mr. PASTORE. Then I do not object.

The PRESIDING OFFICER. Without objection, the request of the Senator from Oregon is agreed to.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield, provided the same arrangement holds, and that the time will not be charged to either side.

Mr. PASTORE. I will take 1 minute on the bill.

Mr. MORSE. That is not necessary when one propounds a parliamentary inquiry.

Mr. PASTORE. Mr. President, I wish to read into the RECORD a letter from the White House. I believe it is fitting that it should be placed in the RECORD at this juncture:

THE WHITE HOUSE,
Washington, December 17, 1963.

HON. CARL HAYDEN,
Chairman, Committee on Appropriations,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Your committee is now considering appropriations for economic and military assistance for the current fiscal year.

I recommend to the committee, in the strongest terms, favorable consideration of the maximum appropriation authorized under the enabling legislation. A candid look at the situation in Asia, Africa and Latin America reveals no diminution in the continuing intensive thrust of Communist penetration and subversion. The interests of the United States are deeply engaged in the effort to establish freedom and progress in those areas. In my judgment, as in the judgment of Presidents Kennedy, Eisenhower and Truman before me, the future welfare and security of the American people require us to support the struggle of the peoples in the developing countries to achieve and maintain their freedom.

In the conviction, therefore, that the future of our own country is at stake, I

strongly urge that the committee provide funds needed for a continuation of the strong U.S. economic and military assistance effort. I am conscious of the necessity for improving the efficiency of our aid program—of requiring more self-help from aid recipients, of trimming excess staff and of taking other measures needed to accomplish the results we seek at minimum cost. I assure you that we have already undertaken and will intensify our efforts to make this program effective and efficient.

I am also fully in accord with the view of the Members of Congress that we should urge other advanced countries to provide more assistance for underdeveloped nations. I pledge to continue and strengthen our efforts in this direction.

When full account is taken, however, of the opportunities for greater efficiency and for greater participation by other nations, the need remains and cannot be escaped, for a major effort by the United States. It would be false economy to cut funds which are needed for our own security and future well-being. I, therefore, urge the committee's favorable consideration of the appropriation request before it.

Sincerely,

LYNDON B. JOHNSON.

Mr. MORSE. Mr. President, I call up my first amendment, which is an amendment to strike out the proviso clause on lines 12 and 13 on page 15. I yield myself 5 minutes.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 15, line 12, it is proposed to strike out the proviso down to and including line 13, as follows:

Provided, That this paragraph shall be effective only upon enactment into law of authorizing legislation.

Mr. MORSE. Mr. President, I am glad that the letter of the President of the United States was read into the RECORD. I completely disagree with practically every premise contained in the President's letter.

The President should be sending to the Senate specific proposals for reform of the foreign aid bill. He knows full well that the foreign aid program, as presently operated, is full of inefficiencies. It is full of hundreds of millions of dollars of waste. I would much rather read a letter from the President giving the American people his assurance that he will take note of what he knows is a fact—namely, that the American people are demanding that waste in the foreign aid program be eliminated. He has a great opportunity, in my judgment, to make recommendations for specific reforms. It would be much better than the letter he has sent to the Senate, which adds up to one thing. He advocates, for the time being, the continuation of the shocking waste and inefficiency in the foreign aid program which in so many parts of the world is causing downright corruption. We should end American support to corruption in the administration of the foreign aid bill by some of the countries abroad.

I come to the amendment before the Senate. We have agreed in the Senate to postpone action on the proposal to add \$50 million to the American subscription to the Inter-American Development Bank. If that language had been adopt-

ed in the Senate Appropriations Committee report, it would be subject to a point of order, for it would amount to legislation on an appropriation bill.

The Parliamentarian advises me that the language is not subject to a point of order because of the fact that it is in the House bill.

It is a very bad legislative practice and policy, for it is an attempt to build up a sort of backlog pressure support for the adoption on January 14 of the bill the consideration of which the Senate agreed by unanimous consent to postpone until January 14.

We should not appropriate any money for a program that is not yet even authorized. In my judgment, that would involve a legislative practice and policy to which we should call a halt this afternoon in the Senate.

It does not follow that the money for the program could not be obtained by way of a supplemental appropriation bill after January 14, if the authorization is approved on January 14.

I am advised by the staff of the Appropriations Committee that Mr. Dillon sent word to the committee that he was going to Latin America, I believe to Venezuela, early next year and was particularly anxious to have this item in the bill. My question is, So what? It is not for Mr. Dillon to decide the legislative policies of the Senate.

In my judgment, the Appropriations Committee should not bring to us a request that we in effect approve an appropriation subject to subsequent action on an authorization bill involving the subject matter. I believe we should stop this procedure.

That is why I offer my amendment. We should strike out the language. If the authorization bill is passed on January 14, there will be no question about the ability to obtain an appropriation for the program.

I believe the proposal involves bad policy. I believe we ought to strike it out now.

Mr. LAUSCHE rose.

Mr. MORSE. Does the Senator from Ohio wish some time?

Mr. LAUSCHE. I should like to ask the Senator a question.

Am I correct in my recollection that in the Inter-American Development Bank bill, which was before the Senate a few days ago, this particular item of \$50 million was included?

Mr. MORSE. It was. That is what the bill was all about.

Mr. LAUSCHE. The bill which was before the Senate, which was by agreement postponed until January 14, envisioned the expansion of the capital structure of the Inter-American Development Bank by another billion dollars?

Mr. MORSE. We are talking about the \$50 million.

Mr. LAUSCHE. \$50 million for the special fund?

Mr. MORSE. That is correct.

Mr. LAUSCHE. The bill also contemplated a billion-dollar expansion in all, of which about \$350 to \$400 million was to be subscribed by the United States.

Mr. MORSE. Speaking from memory, I believe it was some such figure. My

concern and interest now relate to the question of the \$50 million for the special fund, because that is what is involved in my amendment.

Mr. LAUSCHE. Forgetting the other item of the increase in the capitalization, it is positive that the \$50 million item was in that bill?

Mr. MORSE. That is correct.

The PRESIDING OFFICER. The 5 minutes yielded by the Senator from Oregon have expired.

Mr. MORSE. I yield the floor, for the time being.

Mr. PASTORE. Mr. President, I do not know what may be said about Secretary Dillon talking to members of the staff or staff members talking to Mr. Dillon. Secretary Dillon called me directly and talked with me personally.

The \$50 million item was in the appropriation bill which came from the House. The authorization bill has been held up in the Senate. It was held up this past week at the request of the distinguished Senator from Oregon, who suggested that consideration of the authorization bill go over until January 14.

We all understand that the money could not possibly be spent until such time as it is authorized to be spent.

No one has any guarantee that a supplemental appropriation bill will come to the Senate the first part of January, or the latter part of January, or even February. Our commitment will become due in the early part of this spring.

All that the provision would say is that the money be provided in the bill, to remain available until expended, "Provided, That this paragraph shall be effective only upon enactment into law of authorizing legislation."

What is so wrong with that? All we would say is that when the bill which, on the motion made by our distinguished friend from Oregon, was put over until January 14, is resolved one way or another, the money will be available. Certainly the Senate is not to be handcuffed or committed in any way. Then and only then could the money be spent.

We can "shadowbox" until the cows come home, but that is the clear situation.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. This is a simple thing not at all involved. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add to what the Senator from Rhode Island has said. It is my understanding that the authorization bill passed the House. The House provided the appropriation. The bill has been held up. The Senate committee put the authorization bill before the Senate. That will be debated on January 14. A proviso was put in by the Appropriations Committee, since both the authorization bill and the appropriation item had passed the House. We put in the proviso because we believed that on January 14 this matter would be decided.

I understand this item is quite necessary for the Inter-American Development Bank. If we do not put in a provision now, we cannot tell when it would come before the Senate.

Mr. PASTORE. If we do not put in the proviso now we will have to take out the \$50 million.

The argument of the Senator from Oregon is that it could be put in a supplemental bill, and that the supplemental bill will come to the Senate in January, but no Senator knows—heaven only knows—when that bill will come to the Senate. If we consider the experience of this year, as to what will happen next year, perhaps the bill will not be considered until May or June, and the fact then will be we could not meet our commitment. That is how much the whole program could be disrupted.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. MORSE. In view of the argument made by the Senator from Rhode Island, Mr. President, I modify my amendment to strike out the language on line 7 through line 13, page 15, to eliminate the whole item, until the Senate makes its decision as to whether there shall be any authorization for the expenditure at all.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The language proposed to be stricken is as follows:

FUNDS APPROPRIATED TO THE PRESIDENT
Investment in Inter-American Development Bank

For payment of subscriptions to the Inter-American Development Bank for expansion of the Fund for Special Operations, \$50,000,000, to remain available until expended: *Provided, That this paragraph shall be effective only upon enactment into law of authorizing legislation.*

Mr. MORSE. I wish to say, most respectfully, I could not disagree more with the Senator from Rhode Island in respect to what the Appropriations Committee should do. I do not believe the Appropriations Committee ever should bring to the Senate a proposal to appropriate money in regard to a subject matter for which we have not even passed an authorization bill. If there ever was a sloppy way to legislate, that is it.

I believe the Appropriations Committee needs to be brought under some checks. This is one of the checks; namely, that the Appropriations Committee remember at all times that it is not a legislative committee. I do not care how we look at it, this amounts in effect to the Appropriations Committee legislating for the Senate, because it would write in a proviso clause that something become effective by way of appropriations at some time in the future if the Senate authorizes a project. I do not believe that is a proper way to legislate.

Mr. YOUNG of North Dakota rose.

Mr. MORSE. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I was going to request 7 minutes from the time on the bill.

Mr. PASTORE. There is an amendment pending, if the Senator does not mind waiting a minute.

Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Rhode Island has 10 minutes remaining, and the Senator from Oregon has 8 minutes remaining.

Mr. PASTORE. Mr. President, I believe all has been said that needs to be said. We are in complete disagreement. I categorically disagree with the Senator from Oregon and he disagrees with me categorically. That is where it stands. Let us leave it to the Senate.

Mr. MORSE. Mr. President, I ask for the yeas and nays on my amendment, as modified.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, I now yield 7 minutes to my distinguished colleague, the Senator from North Dakota.

Mr. MORSE. I am perfectly willing to yield the Senator some of my time.

Mr. PASTORE. We have plenty of time.

Mr. YOUNG of North Dakota. Mr. President, the provision in the House-passed foreign aid bill prohibiting the Export-Import Bank from insuring commercial credit for the sale of wheat or any other commodity or goods to Russia and Communist-bloc countries was ill advised and will do far more harm than good. I can see no advantage accruing to us from this provision from either a military or security standpoint. The greatest Nation in the world in its role of promoting peace throughout the world has much to lose by hoarding its food supplies while people go hungry. Desperate, hungry people never understand the technical reasons why we refuse to make our food available.

Withholding wheat sales to Russia and Communist-bloc countries could mean some hungry people during the months to come. The hungry people will be the non-Communists who want to be our friends. The Communist Party members themselves will not lack food. The anti-Communist people such as those in Hungary who desperately tried to overthrow the Communist yoke a short while ago are the kind of people who would suffer.

Canada and all of our other allies are willing and able to supply all the wheat needs of Russia and her bloc countries. If Russia had available the fertilizers, insecticides, and herbicides of American farmers, she could easily expand her production by one-third or more. Russia presently is embarking upon a 7-year \$46 billion program to expand its chemical and fertilizer industries. Any nation which can put the first man into space can find the means of producing adequate supplies of fertilizer and chemicals. They already have huge land resources.

This objectionable provision in the foreign aid bill only prevents us from making sales to Russia and her satellites on commercial terms, which in trade channels has always been considered the same as cash. Twenty-five percent of these purchases have to be paid in cash at the time of the sale and the balance in quarterly payments not later than 18 months thereafter. The governments of all our allies, in their trade transactions with these Communist countries, do provide

insured commercial credit. The Export-Import Bank advises us that these Communist countries have been very prompt in meeting these payments.

We have a chance to unload some of our burdensome surpluses and at the same time gain many advantages here and abroad. All of our allies are doing a flourishing business with Russia and Communist-bloc countries. It is costing the United States dearly to carry on this futile one-nation blockade.

We have already given Yugoslavia \$2.4 billion in grants, loans, and in sales of agriculture commodities for Yugoslav currency. There is nothing in this proviso in the foreign aid bill to prevent continued grants and outright gifts of money or the sale of commodities for local currencies to Yugoslavia or other Communist countries. All of these countries are willing and able to pay us dollars now in place of these outright gifts of the past for the commodities they need. Why prohibit this more sensible approach through amendments such as the one now in the foreign aid bill?

The United States had made available over \$450 million worth of agricultural commodities to Poland through the Public Law 480 program, under which we accepted their currency, which is of little value to us. There is nothing in the provisions of this amendment to stop more of these kinds of sales and agreements. It would, for all practical purposes, only prevent sales for U.S. dollars. Have we gotten into such a rut with our giveaway programs that we shy away from business transactions where we can realize some good hard currency?

I hope the House provision restricting sale of wheat and other commodities will be deleted.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

Further conference with the Senator from Louisiana [Mr. ELLENDER] and with the Parliamentarian presents a very novel situation as far as the language is concerned. The Parliamentarian tells me this proviso clause is subject to a point of order, but if it is stricken on the basis of a point of order, then we shall be in a position in which the Senate Appropriations Committee would have approved the expenditure of the \$50 million of appropriated money before there was an authorization act covering it enacted.

Technically, apparently the Appropriations Committee can do it—which bears out my point that that is no way to appropriate. It has raised the point that, if that procedure is possible, we must change the rules of the Senate and make clear to the Appropriations Committee that it cannot exercise that kind of discretion, because its effect is legislation, and the legislative process is involved in the authorization process of the Senate, and not in the appropriation process of the Senate. This means that indirectly, through a back door, an appropriations committee could exercise legislative functions by way of passing legislation rather than straight appropriations. That puts those of us who are in opposition in the position of perhaps having to raise a point of order

in order to get the precedent established, although I think the legislative history I am making now creates the precedent.

We certainly do not want the money spent before it is authorized. We certainly ought to change the rules so no appropriations committee can bring back this kind of arrangement, whereby it is passing an appropriation prior to authorization.

Mr. PASTORE. Mr. President, after all, the Appropriations Committee does not go out of its way to do this sort of thing. This is just as obnoxious and objectionable to us as it is to the Senator from Oregon. But here we were met with a question of expediency. The problem of expediency arose because the Senator from Oregon obtained a unanimous-consent agreement to bring this authorization matter before the Senate on January 14.

I realize that we have an appropriation without an authorization, but, after all, it will expire if the authorization is rejected. Yes, it can be continued, but no one knows when the supplemental appropriation bill will come before the Senate. That is the reason why we left it in in this way. It was not the best way, but it was the only way under the circumstances, because we were defending the reputation and name of the United States to meet its commitment. True enough, if the authorization is never passed, this \$50 million cannot be spent. We thought that, while it was not the best way, it was the only way under the circumstances.

Mr. FULBRIGHT. Mr. President, will the Senator yield 1 minute to me?

Mr. PASTORE. I yield.

Mr. FULBRIGHT. I wish to join in what the Senator from Rhode Island has said. The Senator from Oregon is the one who delayed consideration of the authorization bill which was before us this week, as has been stated. That put the committee in a position of having it resort to this kind of procedure. Under the circumstances, it was the only thing it could do to give some support to a policy which is established and to which the country is committed. Granted that the commitment is moral and that all such commitments are subject to the authorization and approval of Congress, they are commitments as far as they can be made, and this money is appropriated for the continuation of a special fund to which the country is committed.

In this case I think the Appropriations Committee was entirely correct in following this procedure. I hope the Senate will not strike the provision.

Mr. MORSE. Mr. President, I yield myself 1 minute.

I want to say that the statement of the Senator from Rhode Island or of the Senator from Arkansas does not change my position one iota. The unanimous-consent agreement was entered into within the parliamentary rights not only of the Senator from Oregon, but of other Senators who supported that move, such as the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. SYMINGTON], and other Senators. The Senate worked its will in connection

with that unanimous-consent agreement, and decided to postpone action on the authorization bill until January 14.

Mr. President, I do not care how anyone tries to vocalize it or rationalize it—the fact is that the Appropriations Committee followed a course of action that amounts to getting around the will of the Senate in regard to postponing action on the authorization bill. The Appropriations Committee should not have done it. The Appropriations Committee should not pass this kind of indirect legislation upon an authorization bill. They are building up, if nothing else, legislative pressure for the passage of the bill on January 14. I can hear the argument that will be made, probably by the Senator from Arkansas, on January 14: "On today the Senate approved this indirect approval of the authorization bill." In my judgment, that is sloppy procedure, to be most kind. In my judgment, I think it is a violation of the jurisdiction of the Senate by the Appropriations Committee.

Mr. FULBRIGHT. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am delighted to yield.

Mr. FULBRIGHT. I would not call it sloppy. I believe it was to meet a contingency created by the Senator from Oregon. It is true that the Senate entered into a unanimous-consent agreement, but it did not thereby work its will. The Senate wished to vote on it. Because the Senator from Oregon, with his unusual capacity to delay the Senate, it was under the compulsion to agree to the unanimous-consent agreement or see a major part of the remaining legislation go down the drain. He used his right. He has that right. He has the right under the unusual rules of the Senate, of which I approve, of course; nevertheless the rules can be taken advantage of, in my opinion, and I believe the Senator from Oregon is a past master at it. He did take advantage of them. He did force this agreement, and I do not consider that to be the will of the Senate at all.

If he thought it was the will of the Senate, why did he not let the Senate come to a vote on it, and see what the will of the Senate was on that particular item?

He knew he would lose. That is why he let us understand that if we did not reach such an agreement there would be no vote on anything this week.

Mr. MORSE. I yield myself 1 minute. I am always saddened when I see the Senator from Arkansas abuse that brilliant mind of his. The Senator from Arkansas knows that every time the Senate accepts a unanimous-consent agreement it is working its will, and it agrees to the acceptance of the unanimous-consent agreement. He knows why the Senator from Oregon did not want to vote on it the other day. It was because the Senator from Arkansas was attempting some steamroller tactics to put the bill through the Senate. The Senator from Arkansas did not get his committee report to the floor of the Senate until the very afternoon he asked us to vote on

the bill. The Senator from Arkansas got the bill through the committee on Friday afternoon. We did not get notice from the committee to file minority views on the bill. We came to the floor on Monday afternoon and found what the Senator from Arkansas, with his great ability, had done.

We stopped him in his tracks by insisting on either a unanimous-consent agreement or we would take the necessary time to enlighten the Senate as to what was involved in the bill.

It was then agreed that we would wait, until there could be a further study of the bill, until January 14. That is what happened. The Senate very wisely adopted the unanimous-consent agreement. I know I did not make the Senator from Arkansas happy by stopping his steam roller, but I stopped it cold last Monday afternoon.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I am trying to stop the Appropriations Committee from also adopting a procedure that I do not believe is in the best legislative interest of the Senate. That is why I have offered my amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 5 minutes remaining.

Mr. FULBRIGHT. I do not wish to take much time.

Mr. PASTORE. I yield 1 minute to the Senator from Arkansas.

Mr. FULBRIGHT. The idea of a steam roller is ridiculous. The bill had been before the committee for months. It was introduced in June. It had been before the committee and was delayed at the request of various Senators. I forget now whether it was the Senator from Oregon who had a part in delaying it. I suspect he did. It had been under consideration for months, however.

There was no more of a steam roller then than there was during the 3 weeks of debate that the Senator from Oregon conducted on the foreign aid authorization bill itself. If there was a steam roller, it was not the Senator from Arkansas who was running that steam roller. I do not wish to go over it again, but the Senate has an opportunity now to pass upon the merits of the subject.

I hope the Senate will reject the Senator's amendment.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add to what the Senator from Rhode Island and the Senator from Arkansas have said, that this is a procedure which is followed by the Appropriations Committee when at the tail end of a session an authorization is on the way through but has not gone through Congress. If it does not go through in January, so far as the bill under discussion is concerned, it all ends there.

However, I wish to point out to the Senate that in other instances we have done exactly this; for example, when the President has sent a message and when an authorization has not gone through. We have put such items like this in an appropriation bill under those conditions. It is not a good procedure, but it is a procedure which is followed at the tail end of a session. No one is hurt by it. If the Senator from Oregon kills the bill on January 14, then nothing will happen anyway. I hope the amendment of the Senator from Oregon will not be agreed to.

Mr. PASTORE. I hope we can vote on the amendment. I believe everything that can be said on it has been said.

Mr. MORSE. Mr. President, I will take only 1 more minute. I wish to say two things. First, so far as the statement of the Senator from Massachusetts is concerned, the President's message deals with budgeted items. We do not even have an authorization for this item. The second thing is I wish my friend from Arkansas to understand that I will not let the record stand with regard to his statement about a steamroller. The steamroller I am talking about is the steamroller of last Monday. There were not 10 Senators in the Chamber who could have passed an examination as to what the bill was all about.

Mr. FULBRIGHT. That is not unusual on many bills, I say to the Senator.

Mr. MORSE. When the committee report came to the Senate, the Senator wanted an immediate vote. The Senator did not wish to wait even a day, so that the Senate could study the bill. If that is not a steamroller, I do not know what a steamroller is. All I asked for was some time in which the Senate could study the demerits of the bill. The bill is full of demerits. The Senate worked its will.

I yield back the remainder of my time.

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Oregon [Mr. MORSE].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

The Senator from Maryland [Mr. BEALL] is detained on official business.

If present and voting, the Senator from Kansas [Mr. CARLSON] and the Senator from Colorado [Mr. DOMINICK] would each vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Maryland would vote "nay."

On this vote, the Senator from New Mexico [Mr. MECHEM] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 23, nays 60, as follows:

[No. 272 Leg.]

YEAS—23

Bennett	Gruening	Mundt
Byrd, Va.	Hruska	Robertson
Cotton	Johnston	Russell
Curtis	Lausche	Stennis
Dirksen	Long, La.	Talmadge
Eastland	McClellan	Thurmond
Ellender	Miller	Williams, Del.
Ervin	Morse	

NAYS—60

Alken	Hart	Monroney
Allott	Hartke	Morton
Anderson	Hayden	Moss
Bartlett	Hickenlooper	Muskie
Bayh	Holland	Nelson
Bible	Humphrey	Pastore
Boggs	Inouye	Pell
Brewster	Jackson	Prouty
Burdick	Javits	Proxmire
Cannon	Jordan, Idaho	Randolph
Case	Keating	Ribicoff
Church	Kennedy	Saltonstall
Clark	Kuchel	Smathers
Cooper	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McGee	Symington
Edmondson	McGovern	Williams, N.J.
Fong	McIntyre	Yarborough
Fulbright	McNamara	Young, N. Dak.
Gore	Metcalf	Young, Ohio

NOT VOTING—17

Beall	Hill	Pearson
Byrd, W. Va.	Jordan, N.C.	Scott
Carlson	Long, Mo.	Simpson
Dominick	Magnuson	Tower
Engle	Mechem	Walters
Goldwater	Neuberger	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, the Senate is proceeding under a time limitation, with one-half an hour available.

The bill is quite well understood. If Senators will remain in the Chamber, it will not be necessary to use all the time which has been made available; then the vote can be taken.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PASTORE. Mr. President, if there are no further amendments—

Mr. MANSFIELD. Mr. President—

The PRESIDING OFFICER. The Senator from Montana is recognized.

LEGISLATIVE APPROPRIATION BILL—AMENDMENTS IN DIS- AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unanimous-consent agreement be temporarily laid aside, and that the Senate take up the items in disagreement on the legislative appropriation bill.

The PRESIDING OFFICER. Is there objection?

ORDER OF BUSINESS

Mr. MORSE. First, Mr. President, I wish to clear up the parliamentary situation. Will the Senator from Montana yield?

Mr. MANSFIELD. Of course.

Mr. MORSE. I ask unanimous consent that there may be a brief parliamentary discussion with the majority leader, and that the time required for it not be charged to the time available under the agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. As the Senator from Rhode Island has pointed out, the Senate is proceeding under a unanimous-consent agreement which was entered into a while ago in the absence of a number of Senators who now are present. Under the agreement, the Mundt wheat amendment is to be brought up tomorrow. The agreement was that final action would not be taken tonight on the foreign aid appropriation bill. Other amendments will eventually be offered, and 15 minutes are available to each side. I was pleased to suggest to the majority leader that such a timesaving arrangement be entered into, and both of the leaders agreed.

I have just now told the majority leader that, in my judgment, further time will be saved if no attempt is made to press for the taking of votes tonight on other amendments. I believe that many more amendments would be offered tonight, as compared with the number offered tomorrow if proponents of amendments were permitted to have time to hold conferences and thus decide on the amendments to be offered. Then the Senate can work its will.

I suggest that after action on the amendments in disagreement to the legislative appropriation bill, the Senate

either take a recess or adjourn until tomorrow morning, at 10 o'clock.

ORDER FOR RECESS TO 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I have discussed this matter with the Senator in charge of the bill, the distinguished Senator from Rhode Island [Mr. PASTORE]; the distinguished Senator from Illinois, the minority leader [Mr. DIRKSEN]; the distinguished Senator from Oregon [Mr. MORSE], and other Senators who are interested in this particular matter. We would like—with the permission of the Senate—to call up very shortly the amendments in disagreement to the legislative appropriation bill, and to see what luck they have this time.

So far as further consideration of the foreign aid appropriation bill is concerned, I ask unanimous consent that when the Senate concludes its session tonight, it take a recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I wish to state that there will be no further votes tonight on amendments to the foreign aid appropriation bill.

I ask that the unanimous consent agreement on the foreign aid appropriation bill be laid aside until 9 o'clock tomorrow morning, when the time limitations will again run.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I trust that Senators will not leave until the amendments in disagreement to the legislative appropriation bill are disposed of, because I apprehend—in view of all that has been said on the floor—that one of them will have to go back to the committee.

I see no necessity for a record vote; I am quite content to have a voice vote taken.

I understand that the distinguished Senator from Oklahoma [Mr. MONRONEY] is prepared to ask that those amendments be called up.

Mr. MONRONEY. Mr. President, I intend to ask that they be taken up. One of the amendments is still in disagreement on this side of the Capitol.

Mr. MILLER. Mr. President, did I correctly understand the Senator from Montana to state that there will be no more yea-and-nay votes this evening; or did he state that there will be no more votes of any sort today on the foreign aid bill?

Mr. MANSFIELD. There could still be a yea-and-nay vote in connection with the amendments in disagreement to the legislative appropriation bill; I do not know. My remarks pertained only to the foreign aid appropriation bill.

Mr. MILLER. Very well.

Comparative statement of the appropriations for 1963 and the budget estimates and amounts recommended in the bill for 1964—Continued

Item	Appropriations, 1963 (to date) ¹	Budget estimates, 1964	House allowance	Senate allowance	Conference allowance
CONTINGENT EXPENSES OF THE SENATE					
Joint Economic Committee.....	\$260,590	\$265,730	\$235,000	\$235,000	\$235,000
Joint Committee on Atomic Energy.....	305,445	311,000	311,000	311,000	311,000
Joint Committee on Printing.....	120,980	123,530	123,530	123,530	123,530
CONTINGENT EXPENSES OF THE HOUSE					
Joint Committee on Internal Revenue Taxation.....	337,690	344,440	344,440	344,440	344,440
Joint Committee on Immigration and Nationality Policy.....	20,000	20,000	20,000	20,000	20,000
Joint Committee on Defense Production.....	68,060	69,550	69,550	69,550	69,550
CAPITOL POLICE					
General expenses.....	36,700	36,700	36,700	36,700	36,700
Capitol Police Board.....	136,000	144,416	144,000	144,000	144,000
EDUCATION OF PAGES					
Expenses.....	72,945	77,025	77,025	77,025	77,025
PENALTY MAIL COSTS					
Expenses.....	3,986,000	⁴ 4,867,374	4,867,374	4,867,374	4,867,374
STATEMENTS OF APPROPRIATIONS					
Preparation.....	8,000	8,000	13,000	13,000	13,000
Total, joint items.....	5,380,660	6,297,615	6,271,369	6,271,369	6,271,369
ARCHITECT OF THE CAPITOL					
Salaries, Office of the Architect.....	363,000	496,000	480,000	442,500	442,500
Contingent expenses.....	50,000	50,000	50,000	50,000	50,000
Capitol buildings.....	⁵ 1,296,250	1,437,000	1,428,500	1,428,500	1,428,500
Extension of the Capitol (liquidation cash).....	800,000	1,000,000	700,000	700,000	700,000
Planning for restoration of Old Senate Chamber and Old Supreme Court Chamber in the Capitol.....				37,500	37,500
Capitol Grounds.....	435,000	496,000	476,000	476,000	476,000
Legislative garage.....	63,000	50,500	50,500	50,500	50,500
Senate office buildings.....	2,251,150	2,945,000		2,535,300	2,535,300
House office buildings.....	1,742,000	1,928,000	1,778,000	1,778,000	1,778,000
Acquisition of property, construction, and equipment, additional House office building (liquidation cash).....	⁶ 500,000	³ 20,000,000	20,000,000	20,000,000	20,000,000
Capitol Power Plant (operation).....	2,052,000	2,230,000	2,213,000	2,213,000	2,213,000
Library buildings and grounds:					
Structural and mechanical care.....	⁸ 844,500	3,522,000	3,388,200	3,388,200	3,388,200
Furniture and furnishings.....	225,000	189,000	180,000	180,000	180,000
Total, Architect of the Capitol.....	18,601,900	34,343,500	30,744,200	33,279,500	33,279,500
BOTANIC GARDEN					
Salaries and expenses.....	⁷ 452,000	483,000	462,000	454,500	454,500
LIBRARY OF CONGRESS					
Salaries and expenses.....	⁹ 10,074,380	10,405,000	⁹ 9,726,000	9,726,000	9,726,000
Copyright Office, salaries and expenses.....	1,673,560	1,794,000	1,781,000	1,781,000	1,781,000
Legislative Reference Service, salaries and expenses.....	1,960,820	2,143,000	2,138,000	2,099,000	2,119,000
Distribution of catalog cards, salaries and expenses.....	2,754,370	³ 3,077,000	¹⁰ 3,042,000	3,042,000	3,042,000
Books for the general collections.....	570,000	670,000	650,000	670,000	670,000
Books for the law library.....	110,000	110,000	110,000	110,000	110,000
Books for the blind, salaries and expenses.....	1,893,910	1,902,000	1,900,000	1,900,000	1,900,000
Organizing and microfilming the papers of the Presidents, salaries and expenses.....	112,800	112,800	112,800	112,800	112,800
Preservation of American motion pictures.....	60,600	60,600	50,000	50,000	50,000
Collection and distribution of Library materials (special foreign currency program):					
Purchase of excess local currencies owned by U.S. Treasury.....	630,000	898,000	898,000	898,000	898,000
U.S. dollar amounts.....	49,900	80,000	80,000	80,000	80,000
Indexing and microfilming the Russian Orthodox Greek Catholic Church records in Alaska.....	15,000				
Total, Library of Congress.....	19,905,340	21,252,400	20,487,800	20,468,800	20,488,800
GOVERNMENT PRINTING OFFICE					
Printing and binding.....	15,200,000	18,200,000	18,200,000	18,200,000	18,200,000
Office of Superintendent of Documents, salaries and expenses.....	4,754,530	5,417,880	5,242,000	5,242,000	5,242,000
Acquisition of site and construction of annex.....	6,450,000	3,758,000			
GPO revolving fund (additional capital).....		¹¹ 11,000,000	8,500,000	¹¹ 3,450,000	¹¹ 3,550,000
Total, Government Printing Office.....	26,409,530	38,375,880	31,942,000	26,992,000	26,992,000
Grand total.....	¹ 150,412,845	182,218,450	140,038,919	168,273,069	168,293,069

¹ Including amounts in the Supplemental Appropriation Act, 1963.

² As amended in S. Doc. 25.

³ As amended in H. Doc. 105.

⁴ As amended in H. Doc. 118.

⁵ And reappropriation, estimated at \$337,000. (Language in 1964 bill would extend \$78,000 of the unobligated balance to June 30, 1964.)

⁶ And reappropriation, estimated at \$272,200.

⁷ And reappropriation, estimated at \$62,000.

⁸ And reappropriation, estimated at \$67,000.

⁹ Together with \$230,000 by transfer from National Science Foundation.

¹⁰ Together with \$28,000 by transfer from National Science Foundation.

¹¹ Together with \$6,450,000 to be derived by transfer from the appropriation "Acquisition of site and construction of annex."

FOREIGN AID APPROPRIATIONS—
1964

Mr. WILLIAMS of Delaware. Mr. President, has the Senate now resumed the consideration of the foreign aid appropriation bill?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. While the foreign aid appropriation bill is the pending

business, announcement was made that the bill would be laid aside and that the Senate would not return to its consideration today and that there would be no votes on that bill until tomorrow.

Mr. WILLIAMS of Delaware. I was not about to ask for a vote. I should like to call the attention of the Senate to page 18 of the foreign aid appropriation bill as follows:

MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous items", \$215,000: *Provided*, That effective January 1, 1964, the paragraph relating to

official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

POSTAGE STAMPS

For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, \$6,060: *Provided* That the maximum allowance per capita of \$550 for air mail and special delivery stamps

for Senators and the President of the Senate is increased to \$610 for the fiscal year 1964 and thereafter.

STATIONERY (REVOLVING FUND)

For an additional amount for stationery, \$60,000: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum.

I make the point of order that these items constitute legislation on an appropriation bill and are, therefore, out of order in this particular bill.

In view of the fact that the Senate has just reinstated the right to distribute junk mail under the franking privilege, the least we can do is to save the amount of money provided in these other three items. I ask that the Chair rule on the point of order.

Mr. PASTORE. Mr. President, the point of order is untimely. A unanimous consent agreement was made to put the foreign aid appropriation bill over until 9 o'clock tomorrow morning. If a point of order is to be made, it must be made at 9 o'clock tomorrow morning.

Mr. WILLIAMS of Delaware. If the Senator feels that I am out of order in making the point of order now I will withhold it and reserve the right to make the point of order tomorrow. According to the rule of the Senate the items to which I have referred constitute legislation on an appropriation bill, and a point of order can be made against either this amendment or against the bill itself.

I shall reserve my decision as to how I will raise the point of order until tomorrow. I had intended to make the point of order against only the amendment tonight, but tomorrow I may decide to expand it to the entire bill.

AMENDMENT OF ALASKA PUBLIC WORKS ACT

Mr. BARTLETT. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1756.

The PRESIDING OFFICER (Mr. BAYH in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1756) to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under that act, which was, to strike out all after the enacting clause and insert:

That section 5 of the Alaska Public Works Act (63 Stat. 627, 628; 48 U.S.C. 486c) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof: "*Provided*, That notwithstanding the requirements of this sentence, or any other provision of law, the Secretary of the Interior is authorized to collect, or as he may determine to be justified by the special financial condition of the applicant or other unusual circumstances, to compromise or release any claim or obligation assigned to or held by him in connection with any such agreement until such time as such claim or obligation may be referred to the Attorney General for suit or collection: *Provided further*, That the Secretary may delegate to the head of any other department or agency of the United States any of his functions, powers and duties with respect to such collection, compromise, or release of claims or

obligations as he may deem appropriate, and may authorize the redelegation of such functions, duties, and powers by the head of such department or agency."

Mr. BARTLETT. Mr. President, I have cleared this measure with the chairman of the Committee on Public Works [Mr. McNAMARA] and with the ranking minority member of the committee.

I move that the Senate concur in the amendment of the House.

Mr. MUNDT. Mr. President, is the motion debatable?

The PRESIDING OFFICER. The motion is debatable.

SALE OF WHEAT TO COMMUNIST COUNTRIES

Mr. MUNDT. Mr. President, much confusion and uncertainty seem to have arisen among Members of the Senate concerning the amendment added to the foreign aid bill by the House of Representatives the night before last on a motion to recommit the proposed legislation for the purpose of adding an amendment which would prohibit the Export-Import Bank from granting extensions of credit or guaranteeing credits to Soviet countries.

I have been trying to respond all day to questions from Senators as to what is involved. I shall say a few words to set the record straight, because this proposal will be voted on sometime tomorrow.

First, I ask unanimous consent that the exact language of the amendment as adopted by the House be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 16, after line 24, insert the following paragraph:

"None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereinafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national."

Mr. MUNDT. Mr. President, because of cursory reading or careless reporting, some newspapers and wire services have referred to this proposal as an attempt to ban the shipments of wheat and corn. It bans the shipment of wheat and corn only inasmuch as they are included in the destination of the end product.

I emphasize that the amendment is exactly the same as the amendment the Senate had before it on two different occasions: in the so-called Mundt amendment to the foreign aid authorization bill, and again when we took up a measure under a unanimous-consent agreement the day after the funeral of our late President.

This provision applies to the purchase of any product by a Communist country, and that purchase need not be in the United States. It relates to the prevention of attempts by some Communist countries to obtain American credit to purchase products elsewhere. It would eliminate that factor as well as eliminate

the extension of credit for the purchase of products in the United States.

In the third place, I should like to call attention to the legislative manner in which this proposal will come before the Senate tomorrow. It will come before us, I presume, because some member of the Committee on Appropriations—presumably the acting chairman, the Senator from Rhode Island [Mr. PASTORE]—will move to delete from the House bill this amendment which is now a part of the bill. The amendment will not be offered by the senior Senator from South Dakota, because I am in favor of what the House has done. The action of the House will stand unless it is deleted.

For the first time in the three instances we have had the proposal before us, Senators will have an opportunity to vote for it or against it on the basis of its own merits. Until now, one motion to lay on the table was defeated, and one motion to lay on the table was agreed to; but both were motions designed to defer until some other time a decision as to whether we desire to subject the taxpayers to a potential loss by guaranteeing the credit of the United States.

Tomorrow will be the first time Senators will have an opportunity to express by a yea-and-nay vote, their attitude, on the specific and sharp question of whether they desire to have the public credit of the United States extended to the Communist countries and the Communist dictators. So that will be a different vote on an aspect different from any we have had before us heretofore.

Several Senators have asked me where they can find the record as to what transpired before. I point out that on November 14 the Senate rejected the motion to lay on the table; the vote was 40 yeas and 46 nays. And on November 26 the Senate voted—with 57 yeas and 35 nays—to lay the bill on the table.

I ask unanimous consent that these two yea-and-nay votes be printed at this point in the RECORD.

There being no objection, the votes were ordered to be printed in the RECORD, as follows:

[CONGRESSIONAL RECORD, Nov. 14, 1963, p. 20813]

The result was announced—yeas 40, nays 46, as follows (No. 237 Leg.):

Yeas—40: Aiken, Bartlett, Bible, Boggs, Brewster, Burdick, Byrd of West Virginia, Cannon, Carlson, Church, Clark, Eastland, Fulbright, Gore, Hart, Hayden, Hill, Humphrey, Inouye, Javits, Johnston, Kennedy, Mansfield, McCarthy, McGee, McNamara, Metcalf, Monroney, Moss, Muskie, Nelson, Pastore, Pell, Randolph, Saltonstall, Sparkman, Williams of New Jersey, Yarborough, Young of North Dakota, Young of Ohio.

Nays—46: Allott, Bayh, Beall, Bennett, Byrd of Virginia, Case, Cooper, Cotton, Dirksen, Dodd, Dominick, Douglas, Edmondson, Ervin, Fong, Goldwater, Gruening, Hartke, Hickenlooper, Holland, Jordan of North Carolina, Jordan of Idaho, Keating, Kuchel, Lausche, Long of Missouri, McClellan, McIntyre, Mechem, Miller, Morse, Mundt, Pearson, Prouty, Proxmire, Ribicoff, Robertson, Russell, Scott, Simpson, Smith, Symington, Talmadge, Thurmond, Tower, Williams of Delaware.

Not voting—14: Anderson, Curtis, Ellender, Engle, Hruska, Jackson, Long of Louisiana, Magnuson, McGovern, Morton, Neuberger, Smathers, Stennis, Walters.

So the motion to table was rejected.

H. R. 9499

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 1963

Ordered to lie on the table and to be printed

NOTICE OF INTENTION TO SUSPEND THE RULES BY MR. PASTORE

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment, namely: On page 18, line 3, insert the following:

- 1 Stationery (Revolving Fund)
- 2 For an additional amount for stationery, \$60,600: *Pro-*
- 3 *vided*, That commencing with the fiscal year 1964 and
- 4 thereafter the allowance for stationery for each Senator and
- 5 the President of the Senate shall be at the rate of \$2,400
- 6 per annum.

Amdt. No. 372

Amdt. No. 372

Calendar No. 766

**88TH CONGRESS
1ST SESSION**

H. R. 9499

**NOTICE OF INTENTION TO
SUSPEND THE RULES**

DECEMBER 18, 1963

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Calendar No. 766

88TH CONGRESS
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H. R. 9499

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- 1 Miscellaneous Items
- 2 For an additional amount for "Miscellaneous items",
- 3 \$215,000: *Provided*, That effective January 1, 1964, the
- 4 paragraph relating to official long-distance telephone calls to
- 5 and from Washington, District of Columbia, under the head-
- 6 ing "Contingent Expenses of the Senate" in Public Law
- 7 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended,

Amdt. No. 373

1 is amended by striking out the words "one hundred and
2 twenty" and inserting in lieu thereof "one hundred and
3 sixty" and by striking out the words "six hundred" and
4 inserting in lieu thereof "eight hundred".

Amdt. No. 373

Calendar No. 766

88TH CONGRESS
1ST SESSION

H. R. 9499

**NOTICE OF INTENTION TO
SUSPEND THE RULES**

DECEMBER 18, 1963

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H. R. 9499

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- 1 Postage Stamps
- 2 For an additional amount for airmail and special de-
- 3 livery stamps for Senators and the President of the Senate,
- 4 \$6,060: *Provided*, That the maximum allowance per capita
- 5 of \$550 for airmail and special delivery stamps for Senators
- 6 and the President of the Senate is increased to \$610 for the
- 7 fiscal year 1964 and thereafter.

Amdt. No. 374

Calendar No. 766

**88TH CONGRESS
1ST SESSION**

H. R. 9499

**NOTICE OF INTENTION TO
SUSPEND THE RULES**

DECEMBER 18, 1963

Ordered to lie on the table and to be printed

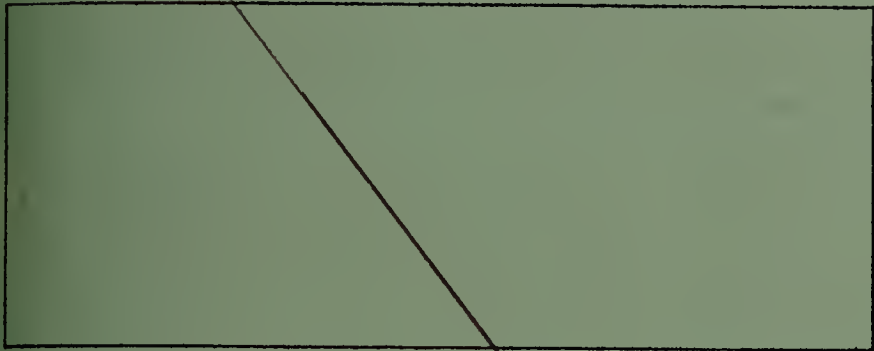
Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 20, 1963
For actions of Dec. 19, 1963
88th-1st; No. 210



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HIGHLIGHTS: Senate passed foreign aid appropriation bill. Sen. Miller urged investigation of USDA estimates of soybean production. Sen. Morton and others defended delay in reporting International Coffee Agreement bill. Sen. Symington stated change in international commodity trade pattern was a cause of balance-of-payments deficit. House committee reported bill to increase authorization for public works acceleration. Rep. Whitten discussed USDA findings in investigation of wheat barter sale to Austria. Rep. Langen urged limitation on agricultural imports in coming trade negotiations. Rep. Cobelan introduced and discussed wilderness bill.

SENATE

1. FOREIGN AID APPROPRIATION BILL, 1964. By a vote of 60 to 25, passed with amendments this bill, H. R. 9499 (pp. 23896-914, 23918-30, 23934-5, 23936-56). Conferees were appointed (p. 23955). As passed, the bill includes \$175 million for economic development grants(\$25 million over the House allowance), \$2,000,000 for the Food and Agricultural Organization's world food program, \$425 million for the Alliance for Progress (\$75 million above the House allowance), and \$98,100,000 for the Peace Corps (\$9,100,000 above the House allowance). By a vote of 52 to 32, agreed to a committee amendment to strike out language approved by the House to provide that none of the funds in the bill shall be used by the Export-Import Bank to guarantee payment of any obligation incurred by any Communist country in connection with the purchase of any product (including wheat)(pp. 23936-55). By a vote of 31 to 55, rejected an amendment by

Sen. Morse to limit the total amount of appropriations to \$3 billion (pp. 23922-3).

2. RECREATION. Passed as reported S. 792, to provide for the establishment of the Sleeping Bear Dunes National Lakeshore, Mich. pp. 23963-71, 23973-82
 3. SOYBEANS. Sen. Miller stated there had been an increase in futures prices for soybeans prior to the release of a crop Reporting Board report showing a drop in production of soybeans, raised a question of possible "inside" information prior to the release of the report, and called for an investigation of the matter by this Department and the Congress. p. 23936
 4. COFFEE. Sen. Morton referred to a newspaper editorial critical of the Finance Committee for delay in reporting the bill to implement the International Coffee Agreement, and he and other Senators defended the Committee, stating that the State Department had asked for postponement of hearings on the measure. pp. 23915-7
 5. FARM PROGRAM. Sen. Humphrey inserted the President's remarks at his Dec. 18 press conference concerning efforts to get agreement among farm organizations on new farm legislation. pp. 24005-7
 6. FOREIGN TRADE; BALANCE OF PAYMENTS. Sen. Symington stated that one of the principal causes of our balance-of-payments deficits is a fundamental structural change in our international commodity trade pattern, reviewed restrictions placed by other nations on U.S. exports, and stated that the U.S. "should immediately invoke the GATT rights we have retained in the field of agriculture." pp. 23930-4
 7. TRANSPORTATION; FREIGHT RATES. Sens. Sparkman and Morse charged that American shippers are being discriminated against in the setting of ocean freight rates and urged that action be taken to correct the situation. pp. 23973, 23983-4
 8. PERSONNEL. Sen. Johnston inserted the President's memorandum conveying his personal message to all Federal employees and urging them to "Give your best to your job and your country." p. 23918
Sen. Johnston reviewed activities of the Post Office and Civil Service Committee this session of Congress. pp. 24016-7
 9. HOUSING. Sen. Sparkman inserted an article showing estimates for housing construction for 1964. pp. 23971-2
 10. ECONOMICS. Sen. McGovern inserted a speech, "Economic Consequences of Disarmament." pp. 23999-24001
 11. WATER RESOURCES. Sen. Jackson reviewed the activities of the Subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee this session of Congress in the field of water resource development. p. 24018
- HOUSE
12. WHEAT. Rep. Whitten gave a partial report on USDA's investigation of the wheat barter transaction with Austria. pp. 24040-1

13. FOREIGN TRADE. Rep. Langen inserted his statement urging serious consideration be given to limiting unnecessary agricultural imports into the U.S. at next year's trade negotiations. pp. 24050-2
14. TAXATION. Rep. Betts criticized passage of the tax reduction bill as possibly causing inflation in such commodities as sugar, hides, rubber, wool tops and coffee. p. 24022
15. WATERSHEDS. The Agriculture Committee approved work plans for the following watershed projects: Bradley Brook, Mass.; Broad Brook, Mass.; Little Shenango River, Pa.; Marsh Creek, Pa.; Briar Creek, Pa.; Clam River, Mass.; Fishing Creek, Ga.; Glen Hills, Wisc.; Grant-Shanghai Creeks, Kan.; and Little Cache, Ill. p. 24023
16. PUBLIC WORKS. The Public Works Committee reported without amendment H.R. 7351, to increase the authorization under the Public Works Acceleration Act from \$900,000,000 to \$1,800,000,000 and provide that new appropriations under this Act shall be available until expended (H. Rept. 1071). pp. 24060-1
17. ELECTRIFICATION. Received the conference report on S. 1007, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal Hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority (H. Rept. 1063). p. 24024
18. ROADS. Passed without amendment H. R. 8853, to authorize the Secretary of Commerce to make a comprehensive study of the needs of the Federal-aid highway system after 1972 and submit a report by Jan. 1, 1967. pp. 24029-30
19. LEGISLATIVE ACCOMPLISHMENTS. Reps. Price and Smith (Iowa) discussed the achievements of the First Session of the 88th Congress including agricultural programs. pp. 24038-40, 24054-5
Rep. Roberts (Ala.) complimented the Public Health and Safety Subcommittee of the Interstate and Foreign Commerce Committee for its work this session including the passage of the Clean Air Act. pp. 24043-4
20. FOREIGN AID. Conferees were appointed for H. R. 9499, the foreign aid appropriation bill, Senate conferees have already been appointed. p. 24059
21. WILDLIFE. The Interior and Insular Affairs Committee reported with amendment S. 793, to promote the conservation of the Nation's wildlife resources on the Pacific flyway in Ore. and Calif. and to aid in the administration of the Klamath reclamation project (H. Rept. 1072). p. 24061

ITEMS IN APPENDIX

22. WATER POLLUTION. Extension of remarks of Rep. Slack favoring passage of legislation to establish the Federal Water Pollution Control Administration for pollution abatement. pp. A7727-8
23. FOREIGN AID Extension of remarks of Rep. St. George inserting an editorial stating that "the trouble foreign aid is having in Congress stems at least in part from the long refusal of the officials concerned to accept reasonable criticisms and make constructive changes" and that Congress "is fed

up with all the mismanagement, abuses, and confusion of purposes" in that program. pp. A7729-30

24. PRICES. Extension of remarks of Reps. Pelly and Dent favoring the quality stabilization bill. pp. A7740-1, A7747-9

BILLS INTRODUCED

25. MEAT IMPORTS. H. R. 9526, by Rep. Skubitz, to amend the Tariff Act of 1930 to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas; to Ways and Means Committee.
26. AREA REDEVELOPMENT. H. R. 9528, by Rep. VanDeerlin, to require an economic survey by the Area Redevelopment Administrator in connection with the termination of operations at certain installations or facilities of the Department of Defense; to Armed Services Committee
27. ECONOMICS. H. R. 9530, by Rep. Boland, to establish a National Economic Conversion Commission; to Interstate and Foreign Commerce Committee.
28. WILDERNESS. H. R. 9520, by Rep. Cohelan, to establish a National Wilderness Preservation System for the permanent good of the whole people; to Committee on Interior and Insular Affairs. Remarks of author, pp. 24034-8
29. RIVER BASIN. H. R. 9521, by Rep. Aspinall, to increase the authorization for appropriation for continuing work in the Missouri River Basin by the Secretary of the Interior; to Interior and Insular Affairs Committee.
30. LABOR STANDARDS. H. R. 9525, by Rep. Roosevelt, to amend the maximum hour provisions of the Fair Labor Standards Act of 1938 to provide for a 35-hour workweek and double time for overtime; to Education and Labor Committee.



United States
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Congressional Record

PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

Vol. 109

WASHINGTON, THURSDAY, DECEMBER 19, 1963

No. 210

Senate

(Legislative day of Wednesday, December 18, 1963)

The Senate met at 9 o'clock a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore, Hon. LEE METCALF, a Senator from the State of Montana.

Rev. Frank H. VanDyck, Jr., D.D., pastor, Trinity Methodist Church, Alexandria, Va., offered the following prayer:

O Thou who madest heaven and earth and sea and all that is in them, we thank Thee that Thou hast created us for days like these. Dwell here a moment now, that we may dwell with Thee.

Keep us from the fears that breed arrogance, and from the type of insecurity that nurtures greed. May we not be satisfied with getting by, nor given to a complacency which presses no demands upon us. Let not our desire to be approved by men precede our will to be approved by Thee.

At this season of the year, when Christmas comes, we rejoice in the revelation of Thyself brought by the Child of Bethlehem. Let not our hearts be busy inns that have no room to receive Him. Give us grace to present to the King the gold of obedience, the incense of lowliness, and the myrrh of healing friendship.

In His name we pray. Amen.

THE JOURNAL

On request of Mr. PASTORE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, December 18, 1963, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 189. An act to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California;

H.R. 393. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H.R. 1182. An act for the relief of Willy Sapuschnin;

H.R. 1355. An act for the relief of Stanislaw Ouellette;

H.R. 1384. An act for the relief of Areti Siozos Paidas;

H.R. 1392. An act for the relief of Irving M. Sobin Chemical Co., Inc.;

H.R. 1403. An act for the relief of Capital Transit Lines, Inc., of Salem, Oreg.;

H.R. 1451. An act for the relief of Frank Mrahor;

H.R. 1520. An act for the relief of Jozefa Trzinska Biskup and Ivanka Stalcer Vlahovic;

H.R. 1521. An act for the relief of Lovorko Lucic;

H.R. 1713. An act to approve an order of the Secretary of the Interior canceling irrigation charges against non-Indian-owned lands under the Elmalath Indian irrigation project, Oregon, and for other purposes;

H.R. 1886. An act for the relief of Valeriano T. Ebreo;

H.R. 2818. An act for the relief of Elmer J. and Richard R. Payne;

H.R. 4085. An act for the relief of Tibor Horesik;

H.R. 4284. An act for the relief of Chrysanthos Kyrlakou;

H.R. 4682. An act for the relief of Mr. and Mrs. Fred T. Winfield;

H.R. 4732. An act to change the name of the U.S. Olympic Association to the U.S. Olympic Committee;

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder;

H.R. 5500. An act for the relief of Lt. John P. Mann;

H.R. 5584. An act for the relief of Capt. Ransom C. Apilln;

H.R. 5858. An act relating to the effective date of the qualification of the United Brotherhood of Carpenters and Joiners of America Local Union No. 746 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 5941. An act for the relief of Julian A. Erskine;

H.R. 5982. An act for the relief of Pasquale Fiorica;

H.R. 6182. An act for the relief of Bryce A. Smith;

H.R. 6313. An act for the relief of Stanislaw Kuryj;

H.R. 6320. An act for the relief of Walter L. Mathews and others;

H.R. 6591. An act for the relief of Constantine Theodoropoulos;

H.R. 6876. An act for the relief of Capt. Wilfrid E. Gelinas, U.S. Air Force;

H.R. 7248. An act to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86-194;

H.R. 7499. An act to authorize the Secretary of the Air Force or his designee to convey 0.25 acre of land to the city of Oroville, Calif.;

H.R. 7508. An act to amend title 28, United States Code, to establish jurisdiction and venue for appeals from orders of the Interstate Commerce Commission in judicial reference cases;

H.R. 7533. An act for the relief of Demetrios Dousopoulos;

H.R. 7788. An act for the relief of Jack B. Fisher;

H.R. 7967. An act for the relief of certain individuals employed by the Department of the Air Force at Hickam Air Force Base, Hawaii;

H.R. 8085. An act for the relief of Roy W. Ficken;

H.R. 8171. An act to authorize the Secretary of the Interior to acquire lands, including farm units and improvements thereon, in the third division, Riverton reclamation project, Wyoming, and to continue to deliver water for 3 years to lands of said division, and for other purposes;

H.R. 8323. An act for the relief of 1st Lt. David A. Staver, U.S. Air Force;

H.R. 8344. An act to amend the Railway Labor Act to provide that the terms of office of members of the National Mediation Board shall expire on July 1;

H.R. 8392. An act relating to the effective date of the qualification of the Laborers' Pension Fund of Hudson County, N.J., as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8459. An act to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations;

H.R. 8465. An act to amend the act entitled "An act to organize and microfilm the papers of Presidents of the United States in the collections of the Library of Congress";

H.R. 8673. An act to amend title V of the Federal Aviation Act of 1958 to provide that the validity of an instrument the recording of which is provided for by such act shall be governed by the laws of the place in which such instrument is delivered, and for other purposes;

H.R. 8828. An act for the relief of John T. Cox;

H.R. 8849. An act for the relief of Lt. Col. Nicholas A. Stathis, U.S. Air Force;

H.R. 8930. An act for the relief of certain employees of the Bureau of Indian Affairs;

H.R. 8931. An act for the relief of Maj. Victor R. Robinson, Jr., U.S. Air Force;

H.R. 8999. An act to provide for the settlement of claims of certain inhabitants of the United States living in the area inundated by the sudden floods of the Rio Grande as a result of the construction of the Falcon Dam, and for other purposes;

H.R. 9036. An act to amend the act of October 24, 1951 (65 Stat. 634; 40 U.S.C. 193 (n)-(w)), as amended, relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus;

H.R. 9234. An act to incorporate the Little League Baseball, Inc.; and

H.R. 9334. An act to amend the act of May 21, 1928, relating to standards of containers for fruits and vegetables, to permit the use of additional standard containers.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 212. An act for the relief of Yoo Sei Chun;

S. 697. An act for the relief of Misako Moriya;

S. 966. An act for the relief of Yukio Iseri;

S. 1097. An act for the relief of Despina J. Sanios;

S. 1129. An act for the relief of Thomas B. Bollers and Earlene Bollers;

S. 1172. An act to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518;

S. 1269. An act for the relief of the Arizona Milling Co. of Phoenix, Ariz.;

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas;

S. 1516. An act for the relief of Ana Murgelj;

S. 1570. An act for the relief of Dulcie Ann Steinhardt Sherlock;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1756. An act to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under this act;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 2228. An act to change the requirements for the annual meeting date for national banks;

S. 2275. An act to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes;

S. 2364. An act to provide that the Commission on the Deposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress;

H.R. 1289. An act for the relief of Maria Mereghetti (Mother Benedetta) and Annunziata Colombo (Mother Cherubina);

H.R. 2513. An act to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin, and for other purposes;

H.R. 2985. An act to amend section 1391 of title 28 of the United States Code, relating to venue generally;

H.R. 4062. An act to amend the act authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande to authorize the Secretary of the Interior

to also market power generated at Amistad Dam on the Rio Grande; and

H.R. 7044. An act to amend Public Law 193, 83d Congress, relating to the Corregidor-Bataan Memorial Commission.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 189. An act to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California;

H.R. 393. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H.R. 7248. An act to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86-194; and

H.R. 7499. An act to authorize the Secretary of the Air Force or his designee to convey 0.25 acre of land to the city of Oroville, Calif.; to the Committee on Armed Services.

H.R. 1182. An act for the relief of Willy Sapuschnin;

H.R. 1355. An act for the relief of Stanislaw Ouellette;

H.R. 1384. An act for the relief of Areth Siozos Paidas;

H.R. 1392. An act for the relief of Irving M. Sobin Chemical Co., Inc.;

H.R. 1403. An act for the relief of Capital Transit Lines, Inc., of Salem, Oreg.;

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H.R. 1520. An act for the relief of Jozefa Trzcinska Biskup and Ivanka Stalcer Vlahovic;

H.R. 1521. An act for the relief of Lovorko Lucic;

H.R. 1886. An act for the relief of Valeriano T. Ebreo;

H.R. 2818. An act for the relief of Elmer J. and Richard R. Payne;

H.R. 4085. An act for the relief of Tibor Horcsik;

H.R. 4284. An act for the relief of Chrysanthos Kyriakou;

H.R. 4682. An act for the relief of Mr. and Mrs. Fred T. Winfield;

H.R. 4732. An act to change the name of the U.S. Olympic Association to the U.S. Olympic Committee;

H.R. 5500. An act for the relief of Lt. John P. Mann;

H.R. 5584. An act for the relief of Capt. Ransom C. Aplin;

H.R. 5858. An act relating to the effective date of the qualification of the United Brotherhood of Carpenters and Joiners of America Local Union No. 746 Pension Fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 5941. An act for the relief of Julian A. Erskine;

H.R. 5982. An act for the relief of Pasquale Florica;

H.R. 6182. An act for the relief of Bryce A. Smith;

H.R. 6313. An act for the relief of Stanislaw Kuryj;

H.R. 6320. An act for the relief of Walter L. Mathews and others;

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H.R. 6876. An act for the relief of Capt. Wilfrid E. Gelinis, U.S. Air Force;

H.R. 7508. An act to amend title 28, United States Code, to establish jurisdiction and venue for appeals from orders of the Interstate Commerce Commission in judicial reference cases;

H.R. 7533. An act for the relief of Demetrios Dousopoulos;

H.R. 7788. An act for the relief of Jack B. Fisher;

H.R. 7967. An act for the relief of certain individuals employed by the Department of the Air Force at Hickam Air Force Base, Hawaii;

H.R. 8085. An act for the relief of Roy W. Ficken;

H.R. 8323. An act for the relief of 1st Lt. David A. Staver, U.S. Air Force;

H.R. 8392. An act relating to the effective date of the qualification of the Laborers' Pension Fund of Hudson County, N.J., as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8828. An act for the relief of John T. Cox;

H.R. 8849. An act for the relief of Lt. Col. Nicholas A. Stathis, U.S. Air Force;

H.R. 8930. An act for the relief of certain employees of the Bureau of Indian Affairs;

H.R. 8931. An act for the relief of Maj. Victor R. Robinson, Jr., U.S. Air Force;

H.R. 8999. An act to provide for the settlement of claims of certain inhabitants of the United States living in the area inundated by the sudden floods of the Rio Grande as a result of the construction of the Falcon Dam, and for other purposes; and

H.R. 9234. An act to incorporate the Little League Baseball, Inc.; to the Committee on the Judiciary.

H.R. 1713. An act to approve an order of the Secretary of the Interior canceling irrigation charges against non-Indian-owned lands under the Klamath Indian irrigation project, Oregon, and for other purposes;

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder; and

H.R. 8171. An act to authorize the Secretary of the Interior to acquire lands, including farm units and improvements thereon, in the third division, Riverton reclamation project, Wyoming, and to continue to deliver water for 3 years to lands of said division, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8344. An act to amend the Railway Labor Act to provide that the terms of office of members of the National Mediation Board shall expire on July 1; to the Committee on Labor and Public Welfare.

H.R. 8459. An act to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations; to the Committee on Banking and Currency.

H.R. 8465. An act to amend the act entitled "An act to organize and microfilm the papers of Presidents of the United States in the collections of the Library of Congress.;" and

H.R. 9036. An act to amend the act of October 24, 1951 (65 Stat. 634; 40 U.S.C. 193 (n)-(w)), as amended, relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus; to the Committee on Rules and Administration.

H.R. 8673. An act to amend title V of the Federal Aviation Act of 1958 to provide that the validity of an instrument the recording of which is provided for by such act shall be governed by the laws of the place in which such instrument is delivered, and for other purposes; and

H.R. 9334. An act to amend the act of May 21, 1928, relating to standards of containers for fruits and vegetables, to permit the use of additional standard containers; to the Committee on Commerce.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The ACTING PRESIDENT pro tempore. Under the order of yesterday, the Chair lays before the Senate House bill

9499, the Foreign Assistance Appropriation Act of 1964, upon which there is limitation of debate and controlled time.

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KUCHEL. Mr. President, I submit the amendment which I send to the desk.

I ask unanimous consent that before the amendment is read, I may yield to the distinguished senior Senator from Maine [Mrs. SMITH].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTES TO SENATOR DIRKSEN, THE MINORITY LEADER

Mrs. SMITH. I thank the acting minority leader very much for yielding to me.

Mr. President, in this closing week of the 1st session of the 88th Congress, I wish to pay my respects to the very distinguished minority leader, EVERETT MCKINLEY DIRKSEN, for whom Members of the Senate have profound admiration and deep affection.

Republicans are most fortunate to have him as their leader in the Senate, not only because of his great wisdom, but also because of his truly amazing patience and kindness to everyone—and at times under the most trying of circumstances.

The American people are, indeed, fortunate to have EVERETT MCKINLEY DIRKSEN as the Senate minority leader, because time and again he has shown that he has no hesitancy to support the position of a Democratic President if he is convinced that position is right—that he has the political courage to go against the position of a majority of his own political party in doing so. He is proud to be a Republican; but he takes greater pride in being an American first, for he puts his country ahead of his political party.

He has an amazing ability to take the brickbats in stride and never to let them divert him from the course of principle to which he has dedicated himself. He has an admirable sensitivity to principle, but an equally admirable disdain for the pettiness of detractors that every public official has.

I salute EVERETT MCKINLEY DIRKSEN for the great American that he is.

Mr. MANSFIELD. Will the distinguished Senator from Maine yield?

Mrs. SMITH. I yield.

Mr. MANSFIELD. Mr. President, I wish to endorse every word the distinguished senior Senator from Maine has just stated about the distinguished minority leader.

Speaking as the majority leader, I could not have a better or more understanding or more tolerant partner than

the distinguished Senator from Illinois [Mr. DIRKSEN].

I am delighted that on this occasion the senior Senator from Maine has seen fit to give due credit to this outstanding American, because on more than one occasion he has placed country ahead of party.

He has been the recipient of brickbats which were unjustified.

I look upon him as a great Senator and a great American, and I join wholeheartedly with the senior Senator from Maine in the comments she has made.

Mrs. SMITH. I thank the majority leader.

Certainly the Senate and the American people are very fortunate in having the team composed of the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois [Mr. DIRKSEN] to lead them in the right direction.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may speak before my amendment is read.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized to speak in the time available on the bill.

Mr. KUCHEL. Mr. President, the distinguished senior Senator from Maine has, this morning, voiced sentiments which will be echoed and reechoed by every Member of the Senate.

EVERETT DIRKSEN is a great American. It will be recalled that on many occasions, EVERETT DIRKSEN has stood on this floor and spoken with great vigor and eloquence as a great American, not as a partisan, in the interest of what he believed would best serve the people of the United States and the cause of freedom and liberty among the peoples of the world.

Furthermore, as a partisan he has given those of us on this side of the aisle distinguished and unique leadership.

I would be recreant in the performance of my duty if I did not rise to say that all Senators—both on the Republican side and on the other side of the aisle—concur, without exception, in the excellent and appropriate comments made this morning by the distinguished senior Senator from Maine.

Mr. PASTORE. Mr. President, will the Senator from California yield to me?

Mr. KUCHEL. I yield.

Mr. PASTORE. Mr. President, I wish to join in complimenting the distinguished senior Senator from Maine for her very appropriate tribute to the distinguished minority leader.

She said—and her statement was most significant—that EVERETT DIRKSEN is—before he is a Republican—a great American. Before, afterward, and always, he is a great American.

I remember that only a short time ago, when the Senate was debating the bond issue to sustain the United Nations in connection with the Congo situation, Senator DIRKSEN delivered an address in support of that measure. At that time, I said that I thought the speech he had delivered was one of the most brilliant speeches ever to be made on the floor of the Senate within my memory, and I

have now been here for 13 years. I repeat my praise this morning. As a great American, Senator DIRKSEN pointed out the virtues of this great international organization. At that time he said—and his statement remains indelibly in my mind:

God forbid that the United Nations ever be broken apart. If it ever is, how could it ever be put back together again?

Mr. President, I join in the statement of the distinguished Senator from Maine that before EVERETT DIRKSEN is a Republican, he is a great American.

He is a patriot before he is a partisan—he serves his country before and above any party, any party, any personal concern.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. KUCHEL. Mr. President, I ask that the amendment I have submitted be read.

The ACTING PRESIDENT pro tempore. The amendment submitted by the Senator from California will be read.

The CHIEF CLERK. On page 11, in line 10, it is proposed to strike out lines 10 through 18, as follows:

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any project in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such project, except when such nationals or citizens of the United States are not available and qualified to perform such work.

And to insert in lieu thereof the following:

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any construction contract in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such contract, except when such nationals or citizens of the United States are not available and qualified to perform such work, or when the President finds that application of this provision would be contrary to the national interest.

Mr. KUCHEL. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from California yield himself time?

Mr. KUCHEL. Yes, Mr. President; I yield myself 4 minutes.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized for 4 minutes.

Mr. KUCHEL. Mr. President, the proposed amendment is self-explanatory. It would be substituted for language which was offered in the committee and was adopted without objection.

The amendment is designed to assure increased use of American and local or indigenous labor of all types, skilled, un-

skilled, or professional, in carrying out construction projects financed with U.S. foreign aid funds. Where the United States is involved in financing a particular construction contract, this amendment is designed to promote and to encourage the hiring of U.S. citizens or nationals of the local country in carrying out the contract.

The amendment applies only to contracts financed by the United States. It will not interfere with contracts under multilateral arrangements under either economic or military programs when contributions by other countries are involved. The infrastructure of NATO is one such example. Nor will the amendment impair private U.S. borrowing in the use of our own funds. The language provides for a Presidential waiver in case the decision by the executive branch concerns itself with an exceptional situation.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. PASTORE. An amendment was accepted which more or less touches the same subject. The proposed amendment is a modification which I believe would strengthen that amendment. The committee is willing to accept it and take it to conference.

Mr. President, I yield back the remainder of my time.

Mr. KUCHEL. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. PASTORE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. KEATING. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 113, which appears on page 10, lines 9 to 13, as follows:

SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$6,000,000 may be used during the fiscal year ending June 30, 1964, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

Mr. KEATING. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 10 minutes.

At this point, Mr. KEATING introduced Senate joint resolution (S.J. Res. 140) proposing an amendment to the Constitution to create the offices of Executive Vice President and Legislative Vice President.

(See the remarks of Mr. KEATING relating to the above joint resolution, which appear under a separate heading, following the vote on the pending bill.)

Mr. KEATING. Mr. President, I withdraw my amendment.

The ACTING PRESIDENT pro tempore. The amendment is withdrawn. The bill is open to further amendment.

Mr. MORSE. Mr. President, I wonder if the leadership could advise us as to whether the Senator from South Dakota [Mr. MUNDT] has been notified that we are awaiting for him to present his amendment.

Mr. PASTORE. Mr. President, I understand that the Senator from South Dakota [Mr. MUNDT] would like to present his amendment after consideration of the money amendments is concluded.

Mr. MORSE. When the money amendments are disposed of?

Mr. PASTORE. If there are any such amendments.

Mr. MORSE. Very well. Mr. President, I offer an amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out "\$380,000,000" and insert "\$300,000,000."

The ACTING PRESIDENT pro tempore. Does the Senator from Oregon yield himself time?

Mr. MORSE. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, the amendment would cut the new funds for supporting assistance from \$380 million, the full amount authorized, to \$300 million, allowed by the House.

It must be remembered that both the House bill and the Senate committee version would permit the expenditure of \$6 million of supporting assistance which was left over from last year. Hence, the committee bill really carries \$386 million for this category of giveaway grant aid, whereas my amendment would allow \$306 million.

The amendment deals with the problem of grant aid. It is in the field of grant aid that there were hundreds of millions of dollars wasted over the year. Many millions of dollars are now being wasted in this field. The Comptroller General of the United States, in report after report to the Congress, has warned the Congress that there is great inefficiency and waste in the field of grant aid.

In this field the Foreign Relations Committee has done absolutely nothing by way of a follow through and a follow-up to try to bring an end to waste. It has passed the buck back to AID.

Mr. President, this cannot be denied. The Senator from Ohio [Mr. LAUSCHEL] is a member of the committee. The Senator from Missouri [Mr. SYMINGTON] is a member of the committee. Both Senators are now in the Chamber. The Committee on Foreign Relations has had before us the Secretary of State; Mr. Bell, the AID Administrator; and the officials who have been administering this program. The Foreign Relations Committee has been highly critical of the waste and inefficiency in the grant-aid program, yet we end by passing the buck back to the administrators. We slap them on the wrists and we ask

them, "Won't you please do something about it?"

Mr. President, they will not do anything about it until we cut the aid. They have no intention of doing anything about it. The Senator from Ohio and the Senator from Missouri know that when we had Mr. Rusk and Mr. Bell before us this year we pointed out report after report which showed the shocking waste in regard to the administrative practices of AID and the overmanning of AID.

Members of the Committee on Foreign Relations have said—and the record will speak for itself—that they have been in various AID centers around the world, and they were of the opinion that there were about twice as many personnel as were needed, and that the waste in connection with personnel was leaving a bad impression.

This is the time to cut. If we leave them \$300 million, and take into account what is in the pipeline, it will be more than sufficient.

I talked at breakfast this morning with the Senator from Virginia [Mr. ROBERTSON]. I wish he were now in the Chamber. Were he present, he would agree as to the truth of the report I now make. The Senator pointed out that in this bill what we are really doing is reappropriating some \$200 million which has already gone back to the Treasury. Therefore, we are asked not only to add to the authorization as presented, but also to add another \$200 million, says the Senator from Virginia [Mr. ROBERTSON], who is a member of the Appropriations Committee. The Senator said at breakfast this morning:

This bill is not what it appears to be. There is more to it than can be seen on the surface.

I suggest, by this amendment, that this one grant-aid program be cut back to \$300 million. I suggest that it be made perfectly clear, by so doing, that we want some savings brought about in the program.

This is the kind of recommendation that the President of the United States ought to be making to the Congress and to the people, rather than the recommendations contained in what I consider to be his most unfortunate letter, which was read to the Senate yesterday. I happen to know that the President himself believes that the inefficiencies in the foreign aid program ought to be corrected.

I say to my President, "Now is the time for you to insist, before you ask for more money. Now is the time for you to say to Mr. Rusk and to Mr. Bell, 'Give me a report on the reports of the Comptroller General of the United States in regard to the wastes in the foreign aid program, and tell me what you are doing to correct this inefficiency and to save some money.'"

The ACTING PRESIDENT pro tempore. The time yielded to the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I yield myself 2 more minutes.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized for 2 additional minutes.

Mr. MORSE. The President should say, "Now is the time for you to correct this inefficiency and waste; and when you get the program cleaned up administratively, saving the great sums of money that the Comptroller General indicates could be saved, we can consider what the total amount of money should be for the next authorization program."

We must remember, Mr. President, that there are not many months left in this fiscal year. In a few more months the AID administrators will be before us with a new authorization bill. From the time standpoint, in my opinion, we cannot justify the huge amount of money that the Appropriations Committee is asking the Senate to provide.

With only a few months left, we ought to cut it back now, and let the AID program, through the Department of State and through Mr. Bell, clean up its own house, and come to us next year and ask for the amount of money that can be justified on the facts. All I seek to do by my amendment is to return to the House figure of \$300 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. LAUSCHE. The amendment is directed at the supporting assistance funds. The Senator contemplates reducing the allocation as recommended by the committee from \$380 million to \$300 million.

Mr. MORSE. Which is the House figure; but AID will end with \$306 million, as I have already stated, because \$6 million remains unspent from last year, and that is added to the amount provided by the bill. So the amount will be \$306 million.

Mr. LAUSCHE. Is not this the sum that is used as a substitute by the recipient countries for the moneys which they spend in maintaining their military forces—that is, the Taiwanese—

Mr. MORSE. Which are bloated, puffed, and wasteful. The Senator mentioned Taiwan. There are more generals in the Taiwanese Army than in the entire U.S. Army. The program is wasteful.

Mr. LAUSCHE. It is argued that this money should be granted because of that expenditure by the foreign governments.

Mr. MORSE. That is the excuse that has been given to us for a long time to justify waste in South Korea. The waste in the Military Establishment is shocking. Does the Senator believe it is very effective in defending freedom in the Pacific? Freedom is going to be defended, not by the Taiwanese Armies, and not by the South Korean Armies, but by the American 7th Fleet, the American Air Force, and the thousands of American boys scattered throughout the Pacific. Does the Senator know what the reports of the battle efficiency of the Taiwanese Army and the South Korean Army are? Most of the indigenous armies could not lick 10 Boy Scouts.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. How much more time have I?

The ACTING PRESIDENT pro tempore. Eight minutes. The Senator has used 7 minutes.

Mr. MORSE. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. When the subject was discussed in connection with the authorization bill, I pointed out that to keep a military man in Taiwan costs \$200 a year. In South Vietnam the cost was about \$700. In Korea it was about \$200. In this country it costs about \$5,000 to keep a soldier—

Mr. MORSE. The fallacy in the Senator's argument, may I say most respectfully, is that he makes the assumption that the Taiwanese soldiers and the South Korean soldiers are very good.

Mr. LAUSCHE. That is where we differ. I have received reports; and I have a recent report, that the military men in Korea or Taiwan measure up to the standard of practically any military men in any country.

Mr. MORSE. That is not true on the basis of the Pentagon's own reports. Their battle efficiency runs from 20 to 30 percent. Does the Senator call that efficient? A 20- or 30-percent battle efficiency is no good for defense.

Mr. LAUSCHE. I regret that I cannot agree.

Mr. MORSE. That is in the Pentagon reports.

Mr. LAUSCHE. In my judgment, to cut here would be to cut in a place where it is most unjustified. We had better avail ourselves of the advantage of having countries around the world maintaining men in their military establishments. They may not measure up to our standards, but to the extent that we reduce the number of those military men, we must call our own into service.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. I yield myself 1 minute.

This is not true. This is the heart of the argument. The Senator from Ohio is not correct in the conclusion he reaches. He sincerely believes it, but he is in error. The Taiwanese Army, the South Korean Army—the so-called indigenous armies—are of little value in defending our interests in the Pacific. Our interests in the Pacific are defended by the 7th Fleet, the American air armada, and the American boys scattered throughout the Pacific.

We are using American taxpayers' dollars to support military establishments that are bloated and inefficient and wasteful in those countries—military establishments their own economies cannot possibly support even in peacetime. We should insist that they spend their money for economic rehabilitation and development of their own civilian economies, and that the waste of taxpayers' money in those countries be stopped.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. I yield myself 1 minute. We ought to insist that they reduce the size of their military establishments to a size a little nearer to what their econ-

omies will support. A further reason is the undeniable fact that they would be of no help to us in case of a war with Red Russia or Red China. We will not fight another conventional war in the Pacific; we will be fighting a nuclear war if we get into war. I would rather see those countries build dams and irrigation systems and their civilian economies; I would rather export to them bread, and not bullets.

This is a place where we can cut foreign aid and strengthen it.

Mr. PASTORE. Mr. President, I allow myself 5 minutes. The argument just made goes to prove how silly we can be. Insofar as this item is concerned, the revised budget figure was \$435 million. In the authorization bill the Senate cut it to \$380 million. That action was concurred in by the House.

The Senator is arguing that, for some reason, the \$300 million figure the House has decreed in the appropriation bill is a sacrosanct figure.

I point out that 75 percent of this money goes to four countries—Vietnam, Korea, the Congo, and Jordan.

Let me say to my friend from Oregon that the reason why we must give this kind of assistance is that if they do not maintain their own soldiers, the mothers of America will have to send American boys there.

I quite agree that if there is any waste, it must be eliminated; but, in Heaven's name, let us stop throwing out the baby with the bath water. If this program is wasteful, the \$300 million decreed by the House is wasteful. Because the House has fixed a figure of \$300 million and the Senate committee has fixed a figure of \$380 million—and that matter was debated in connection with the authorization bill—that does not make the House right and the Senate wrong.

We have admonished and impressed upon this administration that it must be frugal and efficient, and that waste must be eliminated. The \$380 million figure represents the elimination of the fat and the preservation of the muscle.

I think it would be a crying shame; I think it would be crippling and chaotic, if the figure were reduced to \$300 million.

I hope the Senate will go along with the committee, which made a thorough investigation of the subject.

I hope that all the clichés, all the generalities, all the platitudes will not delude the Senate into thinking that the committee which was charged with this responsibility does not know what it is doing.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

Standing here on the floor of the Senate and talking about clichés and platitudes and something being silly, and "throwing out the baby with the water" is a long way from presenting evidence in support of the generalities.

I have said for some years in the Foreign Relations Committee—and it has not been denied—that there is a great deal of waste in this category; but the Foreign Relations Committee, instead of

doing something about it, after it had the evidence of the waste, merely told Mr. Rusk, Mr. Bell, and the Pentagon officials that they should do better, and do something about the waste in the program.

I say to the Senator from Rhode Island that it is admitted there is waste to the extent of many millions of dollars. What the Senator from Rhode Island is doing is exactly what the Foreign Relations Committee is doing—passing the buck for another year.

My proposal is to reduce the item by \$80 million, and leave it at \$300 million, the figure fixed by the House.

Of course, there is waste in the \$300 million. However, we are in the position of saying what it is possible to save the American taxpayers, at the moment. The House is willing to go along with \$300 million. The Senate ought at least to save the \$80 million and go along with the House. As a result of this debate, I am sure the State Department, the Defense authorities, and those in the Pentagon will take a long, hard look before they come forth with their next authorization bill, and will eliminate a great deal of waste. The Senator spoke about the countries to which we are giving support. I say again that we are giving too much to South Korea, to South Vietnam, to Turkey, and to Jordan. That much money is not needed in order to maintain their armies. The amount ought to be cut back for them, as well as for the others who are receiving the other 25 percent of supporting assistance.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. I yield myself 1 more minute.

Some of those in their armies ought to be put to work in other kinds of programs, as we do in this country, in the development of natural resources.

We cannot justify taxing the American taxpayer to pay practically 100 percent of the cost of the Taiwanese military establishment. It is bloated. It is too big. We have gone into that subject in the Foreign Relations Committee. All the Senator from Oregon is asking is a saving of \$80 million, to bring the figure down to the House figure.

I am ready to yield back the remainder of my time. I should like to have a yeas-and-nays vote. First I should like to suggest the absence of a quorum, so that enough Senators may be brought into the Chamber to second a request for the yeas and nays.

Mr. PASTORE. Will the Senator yield briefly on my time?

Mr. MORSE. Yes.

Mr. PASTORE. I am perfectly willing to have a yeas-and-nays vote, and to have the Senator suggest the absence of a

quorum, without the time being charged to either side. The Senator from Ohio would like to speak briefly on the amendment. I would like to have him speak after the quorum call. If that is agreeable, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call be not taken from the time on either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. I yield 5 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the Senator from Oregon and I are in disagreement concerning the significance of our allies around the world maintaining military forces. He contends that they are of no aid to our country. My view is that they are. The Department of Defense feels as I do; and so does the Department of State.

On November 13, when this subject was discussed in the Senate, I placed in the RECORD a tabulation of the cost of maintaining military personnel in our country, as compared with maintaining military men in the countries of our allies. The RECORD shows that for the United States to maintain one military man—that is, without equipment and all the other costs that are involved in keeping him equipped—in 1961 the cost was \$4,015; in 1962, it was \$3,948.

I shall give the 1962 figures, the last ones available.

In Belgium, it is \$1,571; Denmark, \$2,107; France, \$1,906; Germany, \$1,689; Italy, \$878; Luxembourg, \$1,486; The Netherlands, \$771; Norway, \$1,965; Portugal, \$837. I shall not read the entire tabulation, but shall come down to the cost of maintaining military men in South Korea, Vietnam, and Taiwan.

I am sure that the greatest strength that we have in this field, provided by

foreign countries, is available in Taiwan, Korea, and probably Turkey and Pakistan. The cost of maintaining a military man in Korea is \$247; in Vietnam, \$651; in Pakistan, \$438.

I cite these figures to show the significance of allowing the amount of \$380 million to stand. I have an idea of the number of military men available in South Korea, Taiwan, South Vietnam, Turkey, and Pakistan, but I cannot mention the numbers; they are classified. But if it were necessary for the United States to substitute our own boys for the military men provided by foreign countries, the cost would be, in my judgment, 20 times more than the cost of this program.

If cuts are to be made, they ought to be made in other fields, but not in this area. So far as my studies are concerned, if we eliminate this assistance program, and eliminate the military units of Taiwan, South Korea, South Vietnam, Turkey, Pakistan, and other countries, it will be necessary to enact a law to draft more American boys. It will be necessary to bring them into the military service by the millions. To do that would cost \$4,000 a man instead of the \$200 a man that it now costs to provide a military man in Taiwan and perhaps somewhat more in South Korea and South Vietnam.

In my judgment, this is not the place to make the cut. I urge Senators to vote against the amendment.

Mr. PASTORE. Mr. President, I associate myself with everything the distinguished Senator from Ohio has said. It would be tragic to cut the program at this point. I hope the Senate will vote to reject the amendment.

Mr. LAUSCHE. Mr. President, may I have included in the RECORD, by unanimous consent, a tabulation showing the comparative costs of maintaining military men in the various nations around the world? An examination of the record will show that it would be absolute folly to substitute our men for the men of the foreign nations who are willing to serve.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

ANNUAL PER CAPITA MILITARY PERSONNEL COSTS

Cost estimates for countries receiving military assistance shown below are confined to pay, allowances, subsistence and individual clothing. They do not include operation and maintenance expenditures, as no meaningful comparisons could be made due to differing weapons systems and technologies.

For comparative purposes, figures are included for 1961. Principal reasons for changes, where available, are indicated. Changes are primarily due to either new exchange rates, increased pay and allowances, or the proportion of personnel in the lower pay grades.

Cost to maintain a soldier

	1961	1962	Net change 1962 versus 1961	Remarks
United States.....	\$4,014	\$3,948	-\$66	
Belgium.....	1,571	1,571	-----	
Denmark.....	1,650	2,107	+457	Increase due mainly to higher pay and bonuses.
France.....	1,788	1,966	+178	Increase due to higher pay and allowances.
Germany.....	1,689	1,689	-----	
Italy.....	960	878	-82	
Luxembourg.....	1,486	1,486	-----	
Netherlands.....	832	771	-61	
Norway.....	1,706	1,985	+279	Increases in all services.
Portugal.....	435	837	+402	Increase due to higher pay and allowances.
Spain.....	466	522	+56	Do.
United Kingdom.....	2,332	2,495	+163	Increase due to higher pay and reduced numbers in lower grades.
Ethiopia.....	375	483	+108	Increase due to increase in number of students attending schools CONUS and promotions in higher ranks.
Greece.....	385	389	+4	
Iran.....	501	564	+63	Increase due to greater number of junior officers and increase in Government retirement contribution.
Libya.....		670		
Pakistan.....	437	438	+1	
Turkey.....	404	427	+23	Increase due to higher pay and allowances.
Korea.....	219	247	+28	Different exchange rate and small pay increases for noncommissioned officers.
Cambodia.....	829	842	+13	Increase due to promotions, longevity, and a slight strength increase.
Thailand.....	406	417	+9	
Vietnam.....	1,049	651	-398	Decrease due to more realistic exchange rate.
Republic of China.....	174	177	+3	
Philippines.....	742	527	-215	Decrease due to decontrol of peso.
Japan.....	818	850	+32	

Mr. SALTONSTALL. Mr. President, will the Senator from Rhode Island yield me 1 minute?

Mr. PASTORE. I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I commend the Senator from Ohio and the Senator from Rhode Island for what they have just said. This is the last item we ought to consider eliminating in this field. If this part of the program were eliminated, our position would be very much impaired.

Mr. MORSE. Mr. President, I understand I have 1 minute remaining.

Who is talking about doing away with the programs? We are talking about reducing the cost from \$380 million to \$300 million. We would not be doing away with the program.

We are maintaining 600,000 Korean soldiers at the expense of American taxpayers. Not more than half that number are needed.

In Taiwan there is a sharp conflict within the Taiwanese Army, because native Formosans are used, for the most part, as foot soldiers, while the generals and other officers are Chinese. That produces inefficiency and tensions within the army. The Taiwanese Army would trample itself to death running back from the mainland of China if they faced enemy guns. That is what would happen to the Taiwanese Army.

We are talking about a saving. It would not be necessary to draft one American if those two armies were reduced by 50 percent, because such large armies are not needed there for the defense of freedom in the Pacific. We are already doing that now with the 7th Fleet, our Air Force, the 50,000 American boys in Korea, and the 100,000 American boys in Japan and Okinawa. They are the real defenders of American interests in the Pacific.

What the Senator from Ohio is asking for is pure waste. I am offering Sena-

tors an opportunity to save \$80 million and have a better program.

Mr. PASTORE. Mr. President, I yield the distinguished Senator from Ohio 1 minute on the bill.

Mr. LAUSCHE. Red China, with 700 million people, has not dared to strike at Taiwan. The reason why that has not happened is quite interesting. It has not happened, of course, because of our 7th Fleet.

Mr. MORSE. You bet.

Mr. LAUSCHE. But it has also not happened because there are 600,000 Taiwanese under arms. If the Taiwanese Army were to be reduced, I could not agree that we would not finally have to find soldiers elsewhere.

The Department of Defense says that this program should be maintained.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Colorado on the bill.

Mr. ALLOTT. Mr. President, I support all that the distinguished Senator from Ohio and the distinguished Senator from Rhode Island have said. If we are to go through the bill and take the figures the House placed in it, the Senate Committee on Appropriations has spent weeks fruitlessly. The point is that those military personnel are needed. I do not care how often it is said that they are not needed in Taiwan, South Korea, South Vietnam, and the other places that were mentioned. They are needed. The only alternative to stabilizing that particular corner of the world is to place American troops there. A great number of American lives may be saved for \$80 million. That is what Senators will be voting for when they vote to retain the Senate figure. This is one item that we should not consider cutting further.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island will state it.

Mr. PASTORE. A vote to sustain the committee is a vote in the negative—a nay vote?

The ACTING PRESIDENT pro tempore. The Senator is correct.

All time has expired. The question is on agreeing to the amendment of the Senator from Oregon. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Rhode Island [Mr. PELL], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Tennessee [Mr. WALTERS], and the Senator from Tennessee [Mr. GORE] would each vote "nay."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Rhode Island [Mr. PELL]. If present and voting, the Senator from Missouri would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Colorado [Mr. DOMINICK], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

The Senator from Kentucky [Mr. COOPER] is detained on official business.

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 28, nays 55, as follows:

[No. 275 Leg.]

YEAS—28

Anderson	Goldwater	Proxmire
Beall	Gruening	Robertson
Bennett	Hruska	Russell
Bible	Johnston	Talmadge
Byrd, Va.	Jordan, N.C.	Thurmond
Cannon	Long, La.	Williams, Del.
Cotton	McClellan	Young, N. Dak.
Curtis	Miller	Young, Ohio
Ellender	Morse	
Ervin	Mundt	

NAYS—55

Aiken	Hickenlooper	Morton
Allott	Holland	Moss
Bartlett	Humphrey	Muskie
Bayh	Inouye	Nelson
Boggs	Jackson	Neuberger
Brewster	Javits	Pastore
Burdick	Jordan, Idaho	Prouty
Byrd, W. Va.	Keating	Randolph
Case	Kennedy	Ribicoff
Church	Kuchel	Saltonstall
Clark	Lausche	Smathers
Dirksen	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McGee	Stennis
Edmondson	McGovern	Symington
Fong	McIntyre	Williams, N.J.
Fulbright	Mechem	Yarborough
Hart	Metcalf	
Hayden	Monroney	

NOT VOTING—17

Carlson	Hartke	Pell
Cooper	Hill	Scott
Domnick	Long, Mo.	Simpson
Eastland	Magnuson	Tower
Engle	McNamara	Walters
Gore	Pearson	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. KUCHEL. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send an amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out the numeral and to insert in lieu thereof "\$350 million."

The language on page 2, lines 14 and 15 of the bill, is as follows:

Supporting assistance: For expenses authorized by section 402, \$380,000,000.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, my amendment would cut \$30 million from the amount in the bill for supporting assistance. I have listened with a great deal of interest to the statement made by the Senator from Ohio [Mr. LAUSCHE], but with all due respects, that same statement has been repeated time after time in this Chamber and by the witnesses from the executive branch who have paraded before the Senate Appropriations Committee.

But the fact remains that if we continue to give assistance to the people of Korea, Taiwan, South Vietnam, Europe,

and other parts of the world, there is no doubt in my mind that our military authorities and our President will be unable to get our allies to assist us in sharing the burden. We have been in South Korea for more than 14 years. The South Korean economy depends entirely upon the United States. In addition, we have 2 divisions in Korea, and we are also maintaining the 18 Korean divisions.

In order to give the operation an appearance of United Nations action, there are present about 500 soldiers consisting of a Turkish brigade, a few men from Ethiopia, a few from England, and a few from Canada. But to add insult to injury, there is in the bill a provision for money to pay the logistics for these soldiers that I have mentioned, except the few from England and Canada.

If the amount that the distinguished Senator from Ohio mentioned were the only sum given to South Korea, I would say good and well, but we have already furnished to that area of the world over \$5.5 billion. It is time for us to take note of that fact, and try to get our allies to assist us in the area. This money is not directly for supporting assistance as it is dubbed in the bill. It is just another form of economic assistance. Aside from the amount under discussion, we are furnishing millions of dollars to South Korea to enable the country to purchase all of its military hardware. We do not receive one iota of assistance from any of our allies. And remember, we have two divisions there.

I refer to the case of Taiwan. On that little island that one can almost jump across we have spent \$4½ billion. We have been maintaining the economy of free China ever since it was taken over from the Japanese.

As the distinguished Senator from Oregon stated, a large force was established there in the beginning. Chiang Kai-shek wanted some day to attack the mainland. He wished to retain Quemoy and the other islands as stepping stones toward the accomplishment of this objective. The record shows that these islands were to be retained for about 2 years in order to afford Chiang Kai-shek the opportunity, if ever presented, to return to the mainland.

Mr. President, if Taiwan is valuable to the free world, why are we there alone? We heard the same cry last year we are hearing now as to the necessity for these so-called supporting assistance funds, but the administrators could not obligate all the money provided. There was more than \$6 million that could not be spent.

Senators know how this supporting assistance was distributed last year. I showed this information to the Senate when the authorization bill was being considered. It was stated, when the program was presented and justified to us, that \$125 million was badly needed in Korea. What did the administrators do? They ended by giving \$90 million to Korea.

It was stated that \$140 million was needed for South Vietnam. But they cut that figure back to \$120 million. What did they do with the money? A large part of it was diverted to Indonesia.

Indonesia was to receive only \$2½ million, but our administrators raised the amount to \$21.9 million.

When the supporting assistance fund was presented to the Senate last year, a hue and cry was raised: "If we cut it back it will hurt Korea, it will hurt southeast Asia."

So long as Congress provides all the money requested in order to maintain the status quo, we cannot expect our rich allies to come to our aid. So long as we spend all the money asked for they will say, "Let Uncle Sam do it." That is the attitude they have assumed. There are billions of dollars now in the pipeline, and now we are adding more millions to continue it.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. ROBERTSON. The Senator referred to the pipeline. By the "pipeline" does the Senator mean money which has been appropriated and allocated but not actually spent?

The ACTING PRESIDENT pro tempore. The time yielded by the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 4 more minutes.

How much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana has 5 minutes remaining.

Mr. ROBERTSON. By "pipeline" does the Senator mean money which has been appropriated and allocated but not actually spent?

Mr. ELLENDER. Yes. Money available for use.

Mr. ROBERTSON. For use?

Mr. ELLENDER. The money in the pipeline can be reallocated if the administrators decide to do so. They can deobligate and reobligate these funds. In fact, authority is granted in this bill to permit them to do exactly that.

Mr. ROBERTSON. Is it not true that the total in the pipeline exceeds \$7 billion?

Mr. ELLENDER. That is an overall figure, for supporting assistance the pipeline is \$365 million.

Mr. ROBERTSON. I mean for military, economic, and all other aid.

Mr. ELLENDER. The Senator is correct. I have the precise figures before me now and they show that the pipeline totals \$6,916,993,490.

Mr. PASTORE. In this category?

Mr. ELLENDER. No; overall.

Mr. PASTORE. Of course not.

Mr. ELLENDER. Overall.

Mr. ROBERTSON. The reports in the press are that the bill is a \$3.3 billion bill. Is it not true that the bill would authorize the reappropriation of \$209 million which was appropriated last year for actual use, and which went back into the Treasury?

Mr. ELLENDER. Two hundred and nine million dollars.

Mr. ROBERTSON. If we add that amount, it is a bill involving \$3.5 billion-plus.

Mr. ELLENDER. That is correct.

Mr. ROBERTSON. If we add that to the \$7 billion, would it not make it the

largest amount we have ever had for foreign aid in the pipeline and in the appropriation?

Mr. ELLENDER. I would not say that, because at one time the pipeline was much greater, and at various times Congress has appropriated greater amounts than the \$3.5 billion. However, in some years we have appropriated less than this amount.

The fact remains that there is now in the pipeline for this item alone over \$365 million.

Mr. MORSE. Mr. President, will the Senator yield me 30 seconds?

Mr. ELLENDER. In one moment.

Of the total amount requested for supporting assistance, the report from the House shows that only \$246 million is to be used for the support of a common defense. The remainder of the money is for economic grant assistance to countries not on the periphery of the Communist countries.

The program is unending, and it is time for us to begin to cut corners. It is the only way we can induce our allies perhaps to assist us. If we supply all the money and military equipment, how can we expect our allies to say, "We will help you"? They will lean on the shoulder of Uncle Sam as long as we permit them to do so.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PASTORE. Mr. President, I yield 2 minutes of my time to the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. On the amendment?

Mr. PASTORE. On the amendment.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. In view of the fact that the bulk of this assistance will go to nations in the steaming jungles of southeast Asia and Africa, is it true that if we take the percentage fixed from July 1 to December and use the same ratio of aid as was used last year, the Congress will give the administration \$40 million over and above what was spent, on that basis?

Mr. ELLENDER. The Senator is correct. It will be over \$44 million, as I pointed out to the committee. I submitted a proposal to the committee to stay with the total amount provided by the House but it was rejected.

Mr. MORSE. Mr. President, I yield myself 1 minute on the bill.

The most significant fact that has occurred in the debate on this issue is that on the vote on my amendment, which sought to cut \$80 million, the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee, voted for the amendment. He is also a member of the Appropriations Committee. In my judgment, the vote of the chairman of the Senate Armed Services Committee is a devastating answer to every argument that has been made today asserting that the defense of the United States calls for maintaining this wasteful expenditure.

We can take judicial notice that the Senator from Georgia, chairman of the Armed Services Committee, is not voting to jeopardize the defense position of this Nation. His position knocked into a cocked hat the argument that we must do that in order to protect this country. That amendment would have saved the taxpayers \$30 million.

Mr. PASTORE. Mr. President, I yield 2 minutes on the bill to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, I voted for the previous amendment and I shall support this amendment. I am confident that the \$300 million approved by the House was not arrived at without careful consideration of our requirements. I ask unanimous consent that the portion of the House report on supporting assistance contained on pages 17 and 18 of the report be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MILLER. I believe that the Senate Appropriations Committee has not given sufficient consideration to the amount of money in the pipeline for supporting assistance, which was \$365,521,000 as of June 30, 1963. No mention of this is contained in the committee's report. When added to this pipeline fund, the \$300 million approved by the House would furnish over \$600 million for supporting assistance. I happen to believe in the principle of supporting assistance. It is merely a question of judgment over how much should be furnished for it, and I believe that considering the pipeline amount, the \$380 million figure approved by Senate Appropriations Committee is too high. The amendment now pending which would reduce this amount to \$350 million could hardly be said to "cripple" our supporting assistance program—particularly when considered in light of the amount in the pipeline.

EXHIBIT 1 SUPPORTING ASSISTANCE

1964 estimate.....	\$435,000,000
1964 authorization.....	380,000,000
Recommended for 1964.....	300,000,000

Supporting assistance, according to data contained in the summary presentation, is that part of the economic aid program which is directed primarily toward meeting immediate political and security objectives.

The budget proposed a program funded by this appropriation for 18 countries and the CENTO organization for the following purposes:

(a) Support for common defense (Korea, Thailand, Turkey, Vietnam and CENTO)	\$256,000,000
(b) Maintenance of economic stability (6 countries) ..	114,000,000
(c) An alternative to bloc aid (5 countries)	51,000,000
(d) Access to the U.S. military bases (Libya Trinidad and ———)	24,000,000
Total	445,000,000

In addition to this supporting assistance program, the budget proposed other economic and military assistance programs which

amount to a minimum of \$954,398,000 for the same 18 countries and CENTO.

The committee recommends an appropriation of \$300 million for the supporting assistance program for fiscal year 1964. This is \$80 million below the amount authorized for the current fiscal year.

In connection with the supporting assistance estimate which is to provide access to military bases in Libya, Trinidad, and ———, the committee is of the opinion that this portion of the estimate in future years should be budgeted under the Department of Defense appropriation estimates.

A practice that is causing concern to the committee is the extending of supporting assistance grant aid to countries that are more or less in a financial straitjacket trying to pay off their debts to bloc countries. The following testimony from page 729 and 730 of part 3 of the printed hearings is pertinent:

"Mr. MONTROYA. I want to expedite this because I have to go and vote, but you do mention that Guinea is more or less in a straitjacket because of the previous loans Russia has extended to that country?"

"Mr. HUTCHINSON. They do have heavy debt-servicing burdens."

"Mr. MONTROYA. Then are we supposed to use our dollars to extricate Guinea from that situation?"

"Mr. HUTCHINSON. We hope to provide them some ability to get them somewhat extricated."

"Mr. MONTROYA. Is this not a new concept?"

"Mr. HUTCHINSON. This is a concept that is most appropriate, it seems to me."

"Mr. MONTROYA. They are using their revenues for repayment of the Russian debt and we are giving them supporting assistance?"

"Mr. HUTCHINSON. In their requirements for imports, in small amounts, with the full expectation that this is a short-term arrangement."

An example of the types of projects financed by this appropriation is the Khmer-American Friendship Highway in Cambodia. According to the testimony the original estimate of cost of this project was \$15 million. A contract for construction was awarded on May 5, 1955, at a cost of \$18 million. By the time the highway was completed in June 1959, the cost had risen to approximately \$30.9 million. Immediately after completion of construction portions of the highway began to deteriorate, and since that date the United States has obligated a total of \$13.4 million for repairs with an additional cost of approximately \$1.2 million in fiscal year 1964 and future years. Thus, the total cost of this project is now estimated to be \$45.5 million, an increase of over 300 percent in the original estimate.

Another practice of the AID agency that causes the committee some concern is the practice of committing millions of dollars to a Government or a project. While the committee recognizes the value to the United States of honoring its commitments, it questions whether these commitments should hold firm despite a change in government—legally or illegally, or a lack of desire on the part of the recipient government to cooperate in the successful liquidation of the commitment. For example, the President in 1959 committed the U.S. Government to finance the Rangoon-Mandalay Highway project in Burma at a cost of \$28 million. Since that date expenditures have been as follows:

Fiscal year:	Expenditure
1960.....	\$541,000
1961.....	127,000
1962.....	212,000

In fiscal year 1963 AID obligated approximately \$9,100,000 for the project and the estimate for 1964 is \$19 million on the as-

sumption that AID can reach agreement on engineering questions on a particular segment of the highway. Obviously, the 1964 estimate is still not firm. Anticipated expenditures in fiscal year 1964 are approximately \$1,800,000.

Mr. PASTORE. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. LAUSCHE] on the amendment.

Mr. LAUSCHE. Mr. President, the argument made by the Senator from Oregon is that proof that the amendment should have been adopted is the fact that the Senator from Georgia [Mr. RUSSELL], on the last amendment, voted against the committee. I find difficulty in trying to reconcile the logic of the Senator from Oregon in using the Senator from Georgia as the final authority on how this issue should be decided. Other issues will be coming before this body in the next 2 months as to which I am sure the Senator from Oregon and the Senator from Georgia will be in disagreement. I wonder what the view of the Senator will be then as to the extent to which that advice should be followed.

Mr. MORSE. Mr. President, will the Senator yield me 30 seconds?

Mr. LAUSCHE. No—

Mr. MORSE. Ten seconds?

Mr. LAUSCHE. I yield.

Mr. MORSE. On this particular issue no Senator is as competent and qualified to testify in regard to the armed services needs of this Republic as is the Senator from Georgia. On this issue I salute him. Of course, I will disagree with him in other areas in which I do not think he is a particularly competent witness.

Mr. LAUSCHE. Mr. President, in the time I have been a member of the Foreign Relations Committee, I have listened to the Chiefs of Staff testify on the foreign aid program. Each time it has been stated that the Far East is our first line of defense. If the situation is weakened there, the battle line is brought closer to the shores of the United States.

In the hearing on the bill I discussed the subject of support assistance. I heard the argument made by the Senator from Oregon, and I then put to Secretary McNamara certain questions. They were put to him in writing. Those questions dealt with Vietnam, Thailand, the Republic of China, Korea, Greece, Turkey, Iran, and Pakistan. I asked the Secretary of Defense, "If it is not classified information, will you tell the committee how many troops are maintained by those eight countries?" The answer was that the total number of troops maintained by the eight nations mentioned is 2,793,828.

It may be argued by the Senator from Louisiana and the Senator from Oregon that 2,800,000 troops in that area, friendly to our cause, mean nothing. I am unwilling to accept that argument.

I feel a bit of comfort in the knowledge that in those countries there are practically 2,800,000 men in uniform. Would we feel better if they were not there?

To me, this is the most economical part of the foreign aid bill.

The administration asked for \$4,734 million—

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LAUSCHE. May I have 2 more minutes?

Mr. PASTORE. I yield the Senator from Ohio 2 more minutes.

Mr. LAUSCHE. The administration asked for \$4,734 million. The House granted \$3,010 million. Our committee recommended \$3,005 million. If what has happened in the past happens again in conference, the administration will be given \$3,250 million—\$1,500 million less than has been asked.

I have not subscribed to the foreign aid program in full, but I respectfully submit that a cut of \$1,500 million is substantial.

In my judgment, the amendment ought to be defeated. If cuts are to be made, let us make them in other areas, but not in this one, which is an economic area important to our country.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield 3 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, as I have said before in the debate, supporting assistance, in my opinion, is one of the most important parts of the bill. Supporting assistance is divided into four categories: Support for common defense, maintenance of economic stability, alternative to excessive dependence on bloc aid, and access to U.S. military bases.

Of these four items, at least 60 percent is for the support of common defense. About 18 percent is the supporting assistance we give to Far Eastern countries. That is 18 percent of the entire AID budget.

We know that today the Far East is one of the most troublesome places that we must consider. Korea and South Vietnam are in the news constantly, particularly South Vietnam. As I have said, supporting assistance is of the utmost value in this bill. I would rather see some of the other items cut, if we must cut them, but not this item.

Mr. Frank K. Sloan, the Deputy Assistant Secretary of Defense testified:

In conclusion, I want to stress that in the Far East we find ourselves confronting aggressive Communist power—political, economic, psychological, and military. The United States and its allies are engaged in a war against this power. In Vietnam, the war is a shooting one, while in Korea we have a state of uneasy suspended war. Open hostilities could spread to other areas. Laos is a likely possibility. The United States can neither afford to lose in southeast Asia nor to invite aggression in the northern arc of the area. Vital and direct U.S. interests are at stake.

We know that much of this assistance goes into the so-called hamlet program, which may or may not be of value, but which we believe is of great value in the South Vietnam situation. Therefore, as I have said, this support assistance goes to support common defense, the maintenance of economic stability, is the alternative to excessive dependence on bloc aid, and gives access to U.S. military bases.

I hope the amendment of the Senator from Louisiana, for whom I have great respect, but with whom we agree to disagree, will be rejected.

Mr. MORSE. Mr. President, I yield 2 minutes on the bill to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I have listened to the discussion with great interest. As I understand the arguments of some of the proponents of the bill, it is still necessary for this country to, in effect, bank freedom, all over the world, regardless of what anyone else does on this matter in other countries. As example, 10 years ago we had 250,000 troops in Germany. The Germans did not have any troops in uniform. Today the Germans have 400,000 troops in their army; and we still have 250,000 troops in Germany.

This Nation is banking freedom, in Europe, in the Middle East, in southeast Asia, and in the Far East.

The question would seem to be, How long can we continue to put so much of our resources into so much of this often unilateral banking, regardless of what so many of the other countries do to defend themselves?

More than 2 years ago, in South Vietnam, when I was with the general who is now Chairman of the Joint Chiefs of Staff, I presented that the way we were handling that matter out there would never work out in the long run.

I believe that our position in Cambodia is serious. Obviously we are having very difficult troubles in South Vietnam. So far as Taiwan is concerned, I was impressed with the analysis made by the distinguished senior Senator from Louisiana.

Those of us who are coming to realize the significance of having a net of \$4 billion in gold to support some \$25 to \$28 billion of current liabilities callable in gold, held by foreign countries, half in the Common Market, are wondering how long we can afford, regardless of what other countries do, to so bank freedom all over the world. No country in world history has that amount of treasure to put out this way indefinitely.

I will support the amendment of the Senator from Louisiana, believing the treasure—the gold reserves—of the United States cannot continue to go out of the country, while country after country continues to build up its gold reserves, in effect, at the expense of this country. We have reached the point where we should take a new, hard look at this entire situation. Economic control of our country, in the opinion of many experts, is moving away from the shores of our country.

Mr. PASTORE. Mr. President, I yield myself 5 minutes. I do not believe any Senator feels we should not take a good, new, hard look at the foreign aid program. No one is more in favor of that than the senior Senator from Rhode Island. After 3 weeks of debate in the Senate on the authorization bill, the Appropriations Committee analyzed and scrutinized the pending bill. It voted to report a bill of \$3.5 billion. I do not care what is said on the floor; \$3.5 bil-

tion is less than we spent last year for foreign aid. This year we are appropriating less than was spent during the previous fiscal year. The bill has been scrutinized by the Appropriations Committee in all its aspects. No member of the committee wants to give money away, any more than does the Senator from Louisiana or the Senator from Oregon. All of us love America. I caution and admonish Senators to hearken to what the President said in a letter to the chairman of the committee as late as December 17, 1963. This is what he said:

I recommend to the committee, in the strongest terms, favorable consideration of the maximum appropriation authorized under the enabling legislation. A candid look at the situation in Asia, Africa, and Latin America reveals no diminution in the continuing intensive thrust of Communist penetration and subversion. The interests of the United States are deeply engaged in the effort to establish freedom and progress in those areas. In my judgment—

This is the judgment of the man who is charged by the Constitution with the responsibility of conducting the foreign policy of this Nation—

in my judgment, as in the judgment of Presidents Kennedy, Eisenhower, and Truman before me, the future welfare and security of the American people require us to support the struggle of the peoples in the developing countries to achieve and maintain their freedom.

What are we doing today? What is the argument that is being made? It is that we do not need this money in Korea; we do not need it in Vietnam; we do not need it in the Congo; we do not need it in Jordan.

The only reason why we are giving economic assistance to those countries is that if we do not do it, they will fall apart and will be unable to provide their soldiers. Every dollar we cut out of this category might mean that some mother's boy in America will have to shoulder a musket, somewhere, sometime, to protect our very security.

This is the cheapest way to provide for our defense. I realize that it is more palatable to cut out \$30 million than it is to cut out \$80 million. Perhaps certain Senators will feel that in their conscience they can go along with a \$30 million cut rather than with an \$80 million cut. To me it represents yesterday's hamburger, only a little bit warmed over. The amount that was authorized in the authorization bill was \$380 million. No Senator can justify in detail every nickel of it, nickel by nickel I agree. However, the President of the United States, a man who has come into this very sensitive authority and responsibility at a very critical time, has said for the record: "I need this."

I want to give to Lyndon Johnson everything he needs to be a great President. If there is any doubt in my mind, or in anybody's mind, in the name of good reason, for the sake of this country, give the benefits of that doubt to the President of the United States. I hope the Senate will reject this amendment.

Mr. MORSE. Mr. President, will the Senator yield me 1 minute on the bill?

Mr. PASTORE. I yield 1 minute to the Senator from Oregon.

Mr. MORSE. When the President wrote that letter, he got into the saddle backward and started riding backward, riding away from his previous announcement of economy. He cannot reconcile this request for the maximum, which involves a large amount of waste in foreign aid, with his previous statement about economy. It cannot be reconciled, either, with what is known as the President's position in regard to foreign aid, for the President knows there is waste in foreign aid and he is said to be taking steps to try to eliminate waste. His letter cannot be reconciled with the steps he is taking within his own administration to eliminate waste. We ought to eliminate \$30 million of it.

In reply to the Senator from Ohio: If those countries are not able to support their armies in peacetime, how many billions of dollars would we have to give them, if we got into a war, to support their armies in time of war? Let us face the issue: If we got into a war, we would not use the Chinese Army; we would not use the South Korean Army. They would be worthless. They would have to be fed, clothed, and supplied by the United States just as if they were our own. But we would not do that. We would use American military might to defend America. Let us stop wasting money in time of peace. If those countries cannot support their armies in time of peace, what would they do in time of war?

Mr. PASTORE. I wish to reply to what the Senator from Oregon has just said, because the President's letter does not at all indicate what the Senator has said. I read from paragraph 3 of the President's letter:

In the conviction, therefore, that the future of our own country is at stake, I strongly urge that the committee provide funds needed for a continuation of the strong U.S. economic and military assistance effort.

I emphasize this statement in the President's letter. This is the President speaking, not Senator PASTORE:

I am conscious of the necessity for improving the efficiency of our aid program—of requiring more self-help from aid recipients, of trimming excess staff and of taking other measures needed to accomplish the results we seek at minimum cost.

Mr. MORSE. That is where the President rides off backward.

Mr. PASTORE. Is the Senator from Oregon speaking on his time or on my time?

Mr. MORSE. On the time of the Senator from Rhode Island.

Mr. PASTORE. Let the Senator from Oregon speak on his own time. I continue to read from the President's letter:

I assure you that we have already undertaken and will intensify our efforts to make this program effective and efficient.

I say to my friend from Oregon: "Please do not throw out the baby with the bath water."

The ACTING PRESIDENT pro tempore. The time of the Senator from Rhode Island has expired. All time has expired. The question is on agreeing to the amendment of the Senator from

Oregon [Mr. MORSE]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Mississippi would vote "yea" and the Senator from California would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Colorado [Mr. DOMINICK] and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senator from Kansas [Mr. PEARSON] would vote "yea."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 34, nays 53, as follows:

[No. 276 Leg.]

YEAS—34

Anderson	Gruening	Proxmire
Beall	Hickenlooper	Robertson
Bennett	Hruska	Russell
Bible	Johnston	Stennis
Boggs	Jordan, N.C.	Symington
Byrd, Va.	Jordan, Idaho	Talmadge
Cannon	Long, La.	Thurmond
Cotton	McClellan	Williams, Del.
Curtis	Mechem	Yarborough
Ellender	Miller	Young, N. Dak.
Ervin	Morse	
Goldwater	Mundt	

NAYS—53

Alken	Clark	Hartke
Allott	Cooper	Hayden
Bartlett	Dirksen	Holland
Bayh	Dodd	Humphrey
Brewster	Douglas	Inouye
Burdick	Edmondson	Jackson
Byrd, W. Va.	Fong	Javits
Case	Fulbright	Keating
Church	Hart	Kennedy

Kuchel	Monroney	Randolph
Lausche	Morton	Ribicoff
Mansfield	Moss	Saltonstall
McCarthy	Muskie	Smathers
McGee	Nelson	Smith
McGovern	Neuberger	Sparkman
McIntyre	Pastore	Williams, N.J.
McNamara	Pell	Young, Ohio
Metcalf	Prouty	

NOT VOTING—13

Carlson	Hill	Simpson
Dominick	Long, Mo.	Tower
Eastland	Magnuson	Walters
Engle	Pearson	
Gore	Scott	

So the amendment was rejected.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 3, in line 4, before the words "to remain available", it is proposed to strike out "\$800,000,000", and to insert in lieu thereof "\$600,000,000".

Mr. ELLENDER. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. How much time does the Senator from Louisiana yield himself?

Mr. ELLENDER. I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 15 minutes.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to provide the amount voted by the House—\$600 million—for the Development Loan Fund.

As will be noted from the report, the Senate Appropriations Committee voted to add \$200 million to this item. I seek to have the bill reduced to provide the House figure, \$600 million, which I believe is ample for the Development Loan Fund.

Mr. President, we have now been engaged in programs of foreign aid for almost 15 years; and the amount we have spent since the Marshall plan—which would include the proposed amounts being appropriated by this bill—comes to \$109 billion. This is in excess of one-third of our present debt.

Mr. President, the money we have spent during this period has been made available to the various areas of the world as follows:

To Latin America, \$8.960 billion.

To the Near East and south Asia, \$22.277 billion.

To the Far East, \$24.509 billion.

To Africa—where we are just starting—\$2.786 billion.

To Europe, \$45.585 billion.

Administrative expenses have been \$932 million.

Nonregional programs, which are scattered throughout the world, \$3.834 billion.

Undistributed programs, \$160 million.

I cite these figures to indicate the vast sums that have been appropriated over the years to assist our friends across the seas. Of course, most of this huge total was spent to assist Western Europe, so that it could restore its economy after having been devastated by a cruel war.

Mr. President, when I voted for the Marshall plan, I thought it was incumbent upon us to give assistance to war-torn countries of Europe in the hope that we could rehabilitate their economies. In time, it was expected that Europe would assist us in carrying the load in other parts of the world.

Now times have changed, but in this bill for the benefit of our far more prosperous allies in Western Europe, there is in excess of \$200 million. This sum is present, supposedly, to fulfill certain promises we made in the past.

It is a peculiar situation. When we call upon our allies to do certain things, they do not mind violating their promises. But if we make promises, we must toe the mark.

As I have pointed out on many previous occasions, there is almost no one in South Korea today except 2 divisions of American boys and 18 divisions of Republic of Korea troops that we are supporting without assistance coming from any source. The same situation is found in Taiwan and in southeast Asia. It seems that we cannot get assistance from any of our allies. I do not blame them simply because Congress has voted year after year huge sums of money which makes it completely unnecessary for our so-called allies to "pony up."

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MUNDT. I congratulate the Senator for discussing the Development Loan Fund, because, unbeknown to most of our constituents at home, what is known as the Development Loan Fund has become merely a disguised grant fund at three-quarters of 1 percent interest—deferred interest if the borrowers do not start to repay at once. There is no stipulation for amortizing the loan, which I submit is virtually a grant.

Mr. ELLENDER. The Senator is absolutely correct.

Mr. MUNDT. Because our constituents do not like to see their money given away, they are told it is a loan. When the distinguished Senator from Ohio [Mr. LAUSCHE] and I succeeded in putting the Foreign Relations Committee in a mood of sober consideration to increase the loan rate to 2 percent—which is still less than we charge our own veterans in America, and 2 percent is the prevailing REA rate—the State Department officials came down in hordes and worked on members of the Foreign Relations Committee so that they changed their opinions, and on subsequent rollcall votes in the committee, gradually the rate was reduced to practically 1 percent.

The proposal is a giveaway under the guise of a loan. If we wish to give those

countries a grant, let it be called a grant. Let us be honest with the taxpayers. Let us not tell them it is a loan when it is actually a grant, because three-quarters of 1 percent is demonstrably less than the service charge for servicing the loan.

Mr. ELLENDER. The Senator from South Dakota has anticipated me. I expected to show the type of assistance our friends in Western Europe is making available to the underdeveloped countries of the world.

Mr. MUNDT. And where they are charging the prevailing high rate of interest.

Mr. ELLENDER. Yes.

Mr. MUNDT. We are deceiving the people by not telling them what a loan is.

Mr. ELLENDER. One thing the Senator from South Dakota must not overlook is the fact that not only are the loans made on a commercial basis by our allies, but also, they will not make such loans unless they are directly interested in the particular countries in which the loans are made. That is the situation.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. ELLENDER. I am glad to yield to the Senator from Rhode Island, provided the time is charged to him.

Mr. PASTORE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PASTORE. Is it not a positive fact that this money is not loaned to the recipient countries so that they can re-loan it for usurious interest? More than 95 percent of the money that is loaned is for merchandise and commodities bought in the United States of America and made by American labor. Then the borrowing country must pay it back. The idea of usurious interest is a fallacy and a misstatement of fact. It simply is not the case. This money is loaned on commodities and merchandise made in the United States and sent to the recipient countries, and they must pay it back. If the merchandise purchased is not made by American labor, I should like to have someone correct me.

Mr. ELLENDER. I wish it were possible for our own people to obtain the merchandise to which the Senator from Rhode Island refers, and have 40 years to pay back the loan at three-quarters of 1 percent interest.

Mr. PASTORE. I will get to that point.

Mr. ELLENDER. Another point that my good friend has overlooked is the fact that the money is loaned, it is true, but it is unable to find its way to the Treasury. The repayments, if they are ever made, will become a part of a revolving fund. It can be reloaned as it is collected.

All of us know that this money is supposed to be used for underdeveloped countries. That is the story told to us. Yet what do we find?

In 1963 two loans totaling \$45 million were made to Israel. Were they made on commercial terms? Were they made at a rate of interest that we must pay? No. They were made at a rate of interest of three-quarters of a percent, 10

years of grace, and with 40 years to repay.

Let me present some facts on the economic situation in Israel. Israel is not an underdeveloped country, by any means. The Israelis have achieved a rapid rate of economic growth. Their gross national product has risen 10 percent per annum over the past several years, and it is anticipated that this growth rate will be maintained. The per capita output in Israel already exceeds the level attained by some European countries, and is comparable to that of many industrialized countries. The per capita gross national product has risen from \$734 in 1959 to \$853 in 1962. On top of this the Israeli gold has increased from \$87 million in 1957 to \$498 million in 1962—a period in which we were making them low interest loans.

Despite this, we are still loaning borrowed dollars to Israel, repayable over a period of 40 years, at three-quarters of a percent interest.

The administrator who did that last year should be kicked out of office, in my opinion, because the purpose of these loans is supposedly to assist underdeveloped countries. These funds are not to be used as handouts to the developed nations.

Israel's present level of gross investment approximates 25 percent of gross national product, which rate I believe is exceeded only by Japan's.

I cite this one instance to indicate that the money, when available, will be used for one purpose or another. Our administrators will find some way to spend it. The issue is that simple.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I was promised all the time I needed on this amendment.

Mr. PASTORE. Mr. President, I shall be happy to allot time to the Senator.

Mr. ELLENDER. I should like to have 30 minutes.

Mr. PASTORE. Thirty minutes more?

Mr. ELLENDER. Yes.

Mr. PASTORE. How much time have we on the bill? Could we negotiate an arrangement of 15 minutes and 15 minutes?

Mr. MORSE. Mr. President, will the Senator yield to me on this parliamentary matter?

As Senators know, the unanimous-consent agreement was entered into when the Senator from Louisiana was out of the Chamber. I am the culprit, if anyone wishes to put it that way. I forgot the request of the Senator from Louisiana.

I discussed the situation with the majority leader. He said that when the appropriate time arrived he would be willing to seek unanimous consent to grant the Senator necessary time. I ask unanimous consent that the unanimous-consent agreement may be modified in this one particular, to grant 30 more minutes to the Senator from Louisiana.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Oregon?

Mr. KUCHEL. Mr. President, reserving the right to object, do I correctly un-

derstand that the request would give the Senator from Louisiana 30 minutes rather than 15 minutes?

Mr. ELLENDER. No.

Mr. PASTORE. No. It would add 30 minutes to his 15 minutes.

Mr. MORSE. It involves an additional 30 minutes.

I say to the Senator from California that yesterday I was trying to cooperate in reaching a unanimous-consent agreement. I forgot the promise to the Senator from Louisiana of some time that was not covered by the agreement.

We have talked this problem over with the majority leader. He is not now present, but he said he would ask for additional time. I know I speak for the majority leader when I ask that the Senator from Louisiana be granted extended time.

Mr. KUCHEL. So the Senator from Louisiana would have a total of 45 minutes on the amendment, and 15 minutes would be available to the Senator from Rhode Island?

Mr. PASTORE. That is correct.

Mr. KUCHEL. I have no objection.

Mr. MORSE. I shall be glad to help the Senator from Rhode Island, with respect to time on the bill, if he needs more time.

Mr. PASTORE. No. We shall not need more than 15 minutes.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I thank all Senators. As the Senator from Oregon said, I was not present when the agreement was made. I specifically asked the Senator from Rhode Island [Mr. PASTORE] to notify me of any action taken on the bill. It was done in my absence.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PASTORE. The Senator is absolutely correct in his statement. That request was made. I did not believe it applied to this particular unanimous consent agreement. I want the RECORD to show that the Senator is being fair. The Senator is entitled to the half hour. No Senator is objecting. I believe he should proceed.

Mr. MORSE. It is not the fault of the Senator from Rhode Island; it is my fault.

Mr. ELLENDER. I am not saying that it is anybody's fault, in particular.

Mr. President, I made an effort before the Committee on Appropriations to have a bill approved which matched the House figures. I sincerely believe that the House figures are sufficient, particularly in view of the fact of our balance-of-payments problem. I was among the first to bring this problem to the attention of the Congress in 1959. Since I brought this matter up, our Nation has lost an additional \$5 billion of gold, and the outflow continues.

Since 1950 our deficit in balance of payments has aggregated \$24.3 billion, and if this program continues, we can look forward to a worsening of our balance-of-payments position. At the

present time our gold stock, in excess of reserve requirements, is \$3.5 billion which foreign creditors hold potential claims against this gold of \$25 billion.

As I previously pointed out there is \$7 billion in the pipeline for this program. If the bill is passed in its present form, the administrators will have more than \$10 billion at their disposal to obligate and to spend.

Let us not forget that the amount of money in the pipeline today can be shuffled around in many instances and given to areas which might need it the most. Of course, the pipeline amount includes not only economic assistance, but military assistance as well.

As I pointed out before the Committee on Appropriations, \$284.9 million in economic assistance was obligated by AID in the first 5 months of this fiscal year. The amount of money which was obligated for military assistance during the first 5 months of this fiscal year was \$304 million. If we add to those two figures the amount of economic as well as military assistance which was made available in the last 7 months of the previous fiscal year, we arrive at a figure of \$2,965 million, which is \$44.8 million less than the amount provided in the House bill. Thus, if the House bill were adopted, AID would have \$44.8 million more than it had in fiscal year 1963.

I was voted down in the committee. I now seek to have action taken with respect to what is, in my opinion, the softest portion of the program, the development loan program.

Let me begin by pointing out that the United States is a heavy contributor to many banks which make loans throughout the world. The first was organized in 1945, under the Bretton Woods Agreement, and is known as the World Bank, or the International Bank for Reconstruction and Development. This Bank has a callable capital of \$16 billion and our subscription thereto is \$5.7 billion.

When it was created it was thought that this bank would be able to assist in the rehabilitation of our friends all over the world. But we have been in the AID business on a bilateral basis to the extent of \$109 billion, as I previously pointed out and the operations of the World Bank have steadily expanded.

In 1961 another fund was provided, known as the "soft window" for the World Bank. It is known as the International Development Association, commonly known as IDA.

In the bill the Sate is now considering there is provided \$61 million for our fourth installment on a subscription to IDA which amounts in the aggregate to \$320.3 billion.

Next year we are going to provide the fifth and final installment on this particular stock subscription. Our total participation in these initial contributions to IDA will be in excess of 33 percent.

There is also before the Senate, S. 2214, a bill, which will doubtless come up next year, wherein the capital in the International Development Association will be increased by \$750 million. Our contribution to this new IDA venture will be \$312 million, payable in three in-

stallments, which will approximate 42 percent of the total amount of \$750 million.

Is that all? No; there are other so-called loan spigots. For another, there is the old Development Loan Fund, an institution created by us to make soft loans to underdeveloped countries, repayable in soft currencies. We have invested in this fund \$1.896 billion.

We did not have enough loan spigots, so we established another institution in 1961, the New Development Loan Fund the item we are now considering, which was supposed to take the place of the so-called giveaway programs. "Instead of grants," we said, "Let us make loans which are repayable in dollars." As my distinguished friend from South Dakota [Mr. MUNDT] pointed out, they are not loans—they are grants, to all intents and purposes.

Our Government must pay from 2¾ percent to as much as 4 percent on the money it borrows; and it lends that money, without security at the rate of three-quarters of 1 percent, with 10 years' grace and with 40 years to pay.

As was pointed out, an amendment was adopted in the foreign aid authorization bill, which I believe was sponsored by the Senator from Ohio [Mr. LAUSCHE], providing that not less than 2 percent was to be charged, with a grace period of 5 years. That was changed by the conferees. The 2-percent rate remains, but, it is not to be utilized until 10 years after the loan is made. In the first 10 years, the rate is to be three-quarters of 1 percent.

What irks me is that we are making every effort we can to aid the entire free world, and we are doing it virtually alone. We are told by our administrators, by those who parade before us each year from Secretary McNamara on down, that things are going to be different; that, we are going to induce our friends to assist in this effort, and that they will put up enough money to relieve us of much of this burden.

Let me point out that Germany, France, Great Britain, and other countries do not make loans as we do. They make hard commercial loans. They make loans repayable in 3 years, 5 years, 10 years, and sometimes they will extend credit for 15- or 20-year periods.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. On the Senator's own time.

Mr. FULBRIGHT. I yield myself whatever time I take in asking questions.

Mr. ELLENDER. I dislike getting technical, but I must preserve the limited time I have available.

Mr. FULBRIGHT. The Senator has talked about other countries making only commercial loans and has stated that in IDA we put up 42 percent. The same countries he is speaking of put up 50 percent; so they are participating in it. The \$750 million that the Senator mentioned is to be applied over a 3-year period, \$250 million a year, of which we shall put up 42 percent. It strikes me as a good bargain as compared with what we have done in the past.

I do not know whether the Senator from Louisiana supported the Marshall plan.

Mr. ELLENDER. I did, cheerfully.

Mr. FULBRIGHT. Then the Senator supported programs for outright grants.

Mr. ELLENDER. No.

Mr. FULBRIGHT. Oh, yes. More than 50 percent of the grants were outright grants to industrialized countries. If any mistake was made in that program, it was that those should have been loans provided under development loan funds.

The loans under discussion are repayable in dollars. It is true that the interest rate is low, but they are still loans. The major part of the Marshall plan was in outright grants. Part of it was in loans. Those loans are being repaid today, to the extent of nearly \$300 million a year. I do not follow the Senator's argument. This is a sound, businesslike transaction, providing for participation to the extent of 58 percent by the same countries he is now saying make commercial loans.

Mr. ELLENDER. If we were to end there, the Senator would not hear me arguing this point; but, as I pointed out, we are making available large amounts of other money—good old borrowed dollars—in addition to the sums we contribute to the international banks. I am arguing that \$800 million is not needed for the Development Loan Fund, if we are going to make an additional \$312 million available to the International Development Association.

It is true that contributions are made by other countries to IDA, and that is a good thing. But apparently IDA must be augmented. We must get in on our own; we must add our own aid programs. I believe the Senator from Arkansas, led the fight in the Senate to provide a 5-year authorization of \$1.500 billion for each year, for the loans we are discussing here.

I felt that the creation of the World Bank would be sufficient to provide for the loans to which the Senator from Arkansas has referred.

Yes; I voted for the Marshall plan. However, as I understood the Marshall plan, at that time, it was to be on a loan basis, rather than on a grant basis.

Mr. FULBRIGHT. Oh, no. The Senator knows very well that that is not so.

Mr. ELLENDER. As recommended by General Marshall it was supposed to be on a loan basis, but the Congress adulterated the original proposal and made it primarily a grant program. As I have said on many occasions, the original Marshall plan was put on the statute books in order to rehabilitate Europe. I can well remember when Mr. Hoffman, the first Administrator, testified before our committee. I and other Senators asked him, "Mr. Hoffman, how long do you expect this plan to run?"

He said, "Five years, at the most."

We asked him, "How much do you expect to spend?"

He said, "\$17 billion."

We drifted into other areas. Instead of spending the \$17 billion he said would

be required for Western Europe, we have spent \$45 billion. There is no end to the program. That is what I am complaining about.

All these programs are supplemented by us. If we could rely on the World Bank and IDA I would not be complaining.

What we have been doing is not only contributing the largest share to all these institutions, but we have also been providing separate and distinct funds of our own, in order to help the world. That is what I am complaining about.

It is true that we are receiving some assistance from our friends in the creation of these international banks. However, that is but a pittance compared with what we are supplying on a unilateral basis.

Where will all this money be used? Where will it be spent? As I pointed out, \$45 million was given to Israel. When I say given, I mean just that. It may be paid back 40 years hence, but at three-quarters of 1 percent interest, it amounts to a gift.

Greece also received some of this easy money last year. Seven or eight years ago our program in Greece was supposed to come to an end, but the politicians over there were very vociferous, and were able to induce our AID directors to go back and resurvey the situation.

Mr. MORSE. Mr. President, will the Senator yield for 10 seconds?

Mr. ELLENDER. The countries in the Near East which will receive more and more of our loans, are already debt ridden. We have already loaned them almost \$3.5 billion, aside from what the international banks have made available. Now we are asked to provide \$800 million, to further add to our burdens, in order to increase the amount they owe us. When a loan is authorized, our Administrator is supposed to have made the decision that this money will be paid back. It is not supposed to be a gift. However, I daresay that many recipients of our loans are so debt ridden that they cannot possibly pay back any amount we loan to them in the future.

Mr. MORSE. Mr. President, will the Senator yield 10 seconds?

Mr. ELLENDER. I yield to the Senator from Oregon.

Mr. MORSE. I wish the RECORD to show that I completely agree with every observation of the Senator from Louisiana. I would reinforce his argument by calling the President's attention to an authoritative research study which has been published, which shows that 1 out of 10 Americans is living at a poverty level. I say to the President, "Let us have a letter from you as to what you propose to do about the 1 out of 10 in this country who are living on a poverty level, while you recommend in another letter that we continue to waste billions of American taxpayer money on foreign aid."

Mr. ELLENDER. I thank the Senator from Oregon. I beg the Senate to cut back this \$800 million and allow only \$600 million, the House figure. I am sure that would be ample.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Does the Senator have available the figures as to the amount in the pipeline for development loans after June 30?

Mr. ELLENDER. There is \$1,485,356,-648; that is the amount in the pipeline.

Mr. MILLER. By adding the \$600 million, which is the House figure, there would be available about \$2 billion for this purpose. Is that correct?

Mr. ELLENDER. Yes. The more money we make available to the administrators, the more they are going to spend. I would not so much object to the amount of the loans reported, if only the Foreign Relations Committee had retained in the bill the restriction that we proposed, that no money should be loaned on any project unless it is first studied by the Corps of Engineers. If we are to build a dam in Ohio, on the Ohio River, or in the State of Kansas or in the State of Iowa, it requires from 5 to 7 years to bring the project to the point where we can appropriate money with which to construct it. What are we asked to do in this case? If a road is to be built, the technicians fly over the area and say, "We think we can build a road for \$2½ million."

I have seen instances in which, before a project was completed, the cost rose to five times the original estimate. If we should curtail this amount to \$600 million, the money would be, I hope, more carefully distributed. The projects might be determined on a more selective basis. An appropriation of \$600 million would be ample to do the job, particularly since there is in the pipeline for this purpose \$1.48 billion. Think of how the figures are blown up. For fiscal year 1963 it was said that from \$200 to \$270 million would be needed for lend-

ing to the newly emerging countries in Africa. Do Senators know how much was actually used? \$98 million. I dare say that many of the projects in this year's budget will not pan out. I visited some of them, and the only one that looked promising was the Volta River project, in Ghana. In that case, the Ghanaian Government paid half the cost, and the interest rate that we receive is above the amount we pay. Of course, that project was begun before this current program was started. I have hopes for Ghana, because they are a people who have invested their own money. They will try to save that money.

But many countries do not have the money, so they go to Uncle Sam, who shells it out of his pockets for their projects. Little care is given to the feasibility of the projects, as would be the case if those countries contributed their own money.

There is no doubt in my mind that with the money now in the pipeline and the \$600 million I am suggesting be placed in the bill, the total amount will be ample.

Consider Morocco. There we provided last year a huge, inflated amount of money. Morocco had applied for \$15 million; but later they said, "We do not need that much. We cannot meet your terms." They expected us to put up the money; but when we talked terms, there were no takers. The same is true of many other countries.

In the case of Liberia, with all the money we have made available there, instead of Liberia using the receipts collected from the rubber company and from iron ore, do Senators know what is being done with the money? For one thing, a palace is being built for the president that will cost from \$10 to \$12 million. Yet immediately across from where the palace is being constructed are

some of the worst sewers in the world. There are none filthier. Also, a huge ornate judiciary building is being built there.

As I told President Tubman, things that are necessary ought to be built first. Yet while the resources of Liberia are being used to construct a palace and other unnecessary buildings, we are being called upon to make loans to enable them to develop a potable water supply and to provide more electricity. These are facilities that could have been provided out of the taxes, Liberia has collected, because the tax receipts in Liberia have increased considerably in the last 4 or 5 years.

Mr. President, the vast bulk of the funds made available to the Development Loan Fund will be spent in the Near East and south Asia. We have already made considerable loans in this area of the world. In fact, we have given until it hurts. We have already loaned to Pakistan, aside from grants, aside from the free gifts, \$715,188,823. Now we are being called upon to increase that amount.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. PASTORE. Mr. President, I yield the Senator from Louisiana another minute on the bill.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD page 439 of the hearings, which shows the amount owed to us by the countries of the Near East and south Asia.

I say again that if my amendment should be adopted, there will still be sufficient money available, considering what still remains in the pipeline. I urge that Senators vote for my amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Status of borrowings and repayments, NESAC countries (MSP, DLF, and AID loans) as of June 30, 1963

Country	Value authorized	Repayment		Delinquencies		Remarks
		Principal	Interest	Principal	Interest	
Afghanistan.....	\$14,808,933.19	\$180,414.19	\$925,244.93	\$110,140.75	\$5,116.70	Delinquency results from error in billing to borrower. Being cleared up.
Ceylon.....	5,761,517.54	505,299.30	504,451.09			None.
Cyprus.....	2,275,000.00	0	0			Do.
Greece.....	119,600,000.00	2,399,338.50	6,962,045.57			Do.
Iran.....	219,910,193.55	12,538,993.05	17,263,929.01			Do.
Israel.....	185,993,720.16	4,150,984.02	9,245,118.11			Do.
India.....	1,691,254,976.93	41,779,689.05	72,604,156.01			Do.
Jordan.....	2,700,000.00	188,871.00	193,448.69			Do.
Lebanon.....	5,400,000.00	151,179.94	186,475.85			Do.
Nepal.....	400,000.00	0	0			Do.
Pakistan.....	715,188,823.89	17,630,969.87	22,412,685.15			Do.
Syria.....	18,399,997.00	29,425.19	111,529.52			Do.
Turkey.....	406,900,660.26	3,441,552.45	10,217,228.73			Do.
United Arab Republic (Egypt).....	106,700,000.00	77,034.28	1,865,848.10			Do.
Grand total.....	3,495,293,822.52	83,073,750.84	142,492,160.76	110,140.75	5,116.70	

Mr. PASTORE. Mr. President, I yield myself 5 minutes. First, the revised estimate made by the President with reference to the authorization for this item was \$1,060 million. The Senate passed a \$950 million authorization. The House passed a \$900 million authorization. In conference, the conferees resolved the amount at \$925 million. The amount that is now proposed to be appropriated is \$800 million, which is \$125 million below the authorization and is \$100 mil-

lion below the House figure on the authorization bill.

The arguments made by the distinguished Senator from Louisiana are to the effect that the entire program should be eliminated. I would not be surprised if the Senator from Louisiana voted against the foreign aid program after the bill had been read the third time. But long ago, beginning in 1957, it was thought by Congress that we should move from direct economic grants to loans.

Congress decided that. We decided to change from making grants to making loans. We started by providing for repayment with soft money. Then in 1961 Congress amended the law so as to provide that if we loaned hard money—American dollars—we want it to be repaid in American dollars. That is the law today.

I should like to read to Senators an excerpt from one of the most eloquent speeches made in a long time:

Now, on the world scale, the time has come, as it came to America 30 years ago for a new era of hope—hope and progress for that one-third of mankind that it still beset by hunger and poverty and disease.

In my travels on behalf of my country and President Kennedy, I have seen too much of misery and despair in Africa, in Asia, in Latin America. I have seen too often the ravages of hunger and tapeworm and tuberculosis, and the scabs and the scars on too many children who have too little health and no hope.

I think that you and I and our countries and this organization can—and must—do something about these conditions.

I am not speaking here of a new way of life to be imposed by any single nation. I am speaking of a higher standard of living, to be inspired by these United Nations.

It will not be achieved through some hopeful resolution in this Assembly, but through a peaceful revolution in the world—through a recommitment of all of our members, rich and poor, and strong and weak, whatever their location or their ideology, to the basic principles of human welfare and of human dignity.

In this effort the United States will do its full share.

Mr. President, those words were uttered by the President of the United States, last Tuesday, at noon, at the United Nations.

Yet the argument made here by the distinguished Senator from Louisiana is in complete opposition to that position taken by the President of the United States.

All we are saying is that we wish to lend this money, not to give it away. We propose that the money be loaned, with interest payments of not less than three-quarters of 1 percent for a 10-year period and 2 percent thereafter. Is not that better than giving it away? Congress decided on that course.

If Senators wish to have the program crippled, let them support this amendment.

On the other hand, if we wish to give help to the underprivileged of the world and if we wish to heed the clarion call of last Tuesday so clearly sounded by the President of the United States, how can we, in good conscience, vote to strike out this amount of money?

We shall not be giving away the money to the rich. It is too bad that when we began the Marshall plan, we did not then have the Development Loan Fund, because, in that event, today France, and the other rich countries of Western Europe, would be paying back the money.

Mr. President, this amendment would result in sticking a knife into the heart of the best program we have—the development loan program.

This \$800 million is not to be spent abroad in any fashion these countries would like. We decide on the program, and the money is spent in the United States.

The PRESIDING OFFICER. The time the Senator from Rhode Island has yielded to himself has expired.

Mr. PASTORE. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 more minute.

Mr. PASTORE. As I was about to say, Mr. President, this money will be spent in the United States, where it will create jobs for American workers; and the repayments must be made in American

dollars. That is what this program amounts to.

Yet the Senator from Louisiana proposes that we revert to the amount voted by the House of Representatives. Mr. President, I am becoming a little weary of proposals to revert to the amounts voted by the House of Representatives. If that is to be done, why does not the Senate adopt a resolution doing away with the U.S. Senate? If Senators want the judgment of the House to be controlling and if Senators want to rubber stamp what the House votes, then what are we doing here? If we amount to no more than that, I think we should turn back our own salaries and should do away with the Senate Appropriations Committee—even though it worked very hard on the hearings on the bill. However, if Senators think that time was spent for naught and those efforts were futile, and if Senators think the members of the Appropriations Committee are wastrels, because of the report they have made on the bill, why not do away with the committee system and stop this “nonsense”? If “nonsense” it is.

Those who say, “Let us revert to the amount voted by the House” may prefer to have a unicameral Congress; in that case, the people of the United States would really save some money.

Mr. President, I hope this amendment will be resoundingly rejected, because, in my humble opinion, it would do irreparable harm to this entire program.

Mr. MORSE. Mr. President, I yield myself 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes on the bill.

Mr. MORSE. Mr. President, the Appropriations Committee does not pass proposed legislation; it merely recommends it. The Senate is the body which passes the bills. The committees cannot be substituted for the legislative process of the Senate.

I believe it would be helpful to make the rollcall votes in the committee parts of the CONGRESSIONAL RECORD, in connection with the various portions of this bill, because from reading the committee report we obtain no idea of just where the committee members stood. I have been advised by members of the committee that they were greatly divided on item after item—whereas, Mr. President, from listening to the remarks of the Senator from Rhode Island, one would think the committee was unanimous in adopting the report.

Mr. President, for years it has been argued that 80 percent of this money is spent in the United States. In that case, is the argument being made for a make-work program in the United States—because let us not forget that more than one-third of this money is for military equipment which is shipped abroad, and much of it is given away abroad. If a make-work program is wanted, then let us build up a program that will expand the American economy and will create productive wealth for the American economy and will provide an increasing number of jobs for the people of the United States.

Furthermore, much of this program is a giveaway program, which is not the way to build up the American economy.

This amendment will not cripple the program, for by means of the amendment the bill will still provide \$600 million for this fund.

Have we reached the point where we have to take the recommendations of the Senate Appropriations Committee as if they were sacrosanct and as if any modification which we might make in them would result in crippling the President's program?

I have great respect for the President and for his program; but, in my judgment, and I say this respectfully, in this instance the President is in his Texas saddle, galloping backward. He should first eliminate the millions of dollars of waste in this program, and then he will get support for a sound foreign aid program.

Mr. SALTONSTALL. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield 3 minutes to the distinguished Senator from Massachusetts.

Mr. President, I understand that I have 6 minutes remaining.

The PRESIDING OFFICER. That is correct.

The Senator from Massachusetts is recognized for 3 minutes.

Mr. SALTONSTALL. Mr. President, I rise to support the committee's position in favor of an appropriation of \$600 million for the Development Loan Fund.

We should remember that the original administration request was for \$1,060 million. This \$800 million item is \$260 million less than the original budget estimate, and \$200 million more than the amount voted by the House.

To state the situation very briefly, the amount of grant aid is being decreased, and the amount of loan aid is being increased—which is what we want. I understand that loan aid is now being made available at 2 percent interest after 10 years, and three-quarters of 1 percent for the first 10 years; and 100 percent of the development loan money is spent in the United States.

Second, there have been no delinquencies in the interest repayments under the development loan program, which began 2 years ago.

Third, the obligation to repay the loans stimulates these countries' self-help efforts.

Furthermore, international consortium commitments have been made; and if too much of a reduction is made in the U.S. program, all these loans by other countries will be cut down. Essentially these loans are in India, Pakistan and Turkey. I believe that in these three countries alone \$600 million of loan funds will be committed in 1964. For these reasons, Mr. President, I believe that the position of the committee should be supported and the amendment offered by the distinguished Senator from Louisiana should be rejected.

Mr. PASTORE. Mr. President, I yield 10 seconds to the distinguished Senator from Iowa [Mr. MILLER] for an insertion in the RECORD.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 seconds.

Mr. MILLER. Mr. President, I intend to support the pending amendment.

The Senator from Louisiana [Mr. ELLENDER] has shown that as of June 30 last there was over \$1.4 billion in the development loan pipeline of previously appropriated and obligated funds; and that even with the adoption of this amendment there would be some \$2 billion in our current development loan program.

I have carefully examined the report of the House Appropriations Committee on this item. It has been carefully prepared. I regret that the Senate Appropriations Committee, in its statement on development loans, has not—with one exception—met the points made in the House report, and its explanation for increasing the House figure by \$200 million is nonexistent.

The Senate committee was responsive to one point made by the House. This had to do with not the amount of the appropriation but with respect to a policy in governing the presentation of budget requests for development loans by the Agency for International Development. The House believes that Congress should be given an opportunity to evaluate the proposed loans—that these should be “justified on a country-by-country basis with definite loan applications to back up the estimate for each country.”

The Senate Appropriations Committee does not believe it is practical, for detailed justification, for each individual proposed development loan to be submitted in advance in connection with future budgets. I am not persuaded to the Senate committee's viewpoint—at least with respect to large loans. The House committee's viewpoint is, in my opinion, much more in line with the guidelines advocated by the Clay committee. Moreover, at a time when our Government is suffering from deep, billion dollar deficits as a result of the failure of a majority of the Members of Congress to exercise prudence and restraint in appropriations, I find the willingness of the House to devote more time and

effort to the scrutiny of our development loan program a refreshing attitude.

Mr. President, I ask unanimous consent to have printed in the RECORD the portion of the House committee's report on development loans, appearing on pages 26 through 35.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DEVELOPMENT LOANS

1964 estimate.....	\$1,060,000,000
1964 authorization.....	925,000,000
Recommended for 1964.....	600,000,000

The Budget proposed a development lending program, exclusive of the Latin American area of \$1,160,230,000. This proposed program is composed of the following elements:

New obligational authority..	\$1,060,000,000
Carry-over of prior year appropriations.....	71,398,000
Deobligations during the fiscal year.....	25,832,000
Loan receipts.....	3,000,000

Total..... 1,160,230,000

Included in the appropriation estimate of \$1,060 million in new obligational authority was an unprogramed amount of \$52 million of which \$32 million was in the Latin American area and \$20 million was in the Near East and South Asia area. The Assistant Administrator for the Near East and South Asia area characterized this portion of the estimate for his area as a “contingency fund.”

The committee recommends an appropriation of \$600 million for development loans in fiscal year 1964.

Since fiscal year 1958 when the development loan program was initiated, the Congress has made available the following appropriations:

Fiscal year	Estimate	Appropriation
1958.....	\$500,000,000	\$300,000,000
1959.....	850,000,000	550,000,000
1960.....	700,000,000	550,000,000
1961.....	850,000,000	600,000,000
1962.....	1,200,000,000	1,112,500,000
1963.....	1,250,000,000	975,000,000
Total.....	5,350,000,000	4,087,500,000

The original Development Loan Fund was in operation from fiscal year 1958 through November 3, 1961, and made dollar loans which were repayable in dollars and/or local currency. During its existence the Development Loan Fund made 217 loans and commitments and 3 guarantees amounting to \$2,008,500,000. As of June 30, 1963, loan repayments and interest collected totaled \$170,696,330. All of the repayments, dollars and local currency, are credited to the U.S. Treasury and are not available for further lending.

The new AID development lending program initiated on November 3, 1961, has had total appropriations of \$2,087,500,000. As of June 30, 1963, it had made 126 loans totaling \$2,033,700,000. To date no principal repayments have been made. Interest and credit fees collected to date under the new development lending program total \$2,018,746. Such payments are deposited into a revolving fund and continue available for further lending.

All development loans are now repayable in dollars, and most of the loans are very long term (30 to 40 years), carry a three-quarters of 1 percent credit fee in lieu of interest and provide a grace period of up to 10 years prior to commencement of repayment. The recently enacted authorization bill, however, now provides for a service charge of three-quarters of 1 percent per annum for the first 10 years and an interest rate of at least 2 percent per annum thereafter to maturity on all loans made after approval of the Foreign Assistance Act of 1963.

While the Agency appears to be making some effort to harden the terms of the loans, the number of countries in which the policy is in effect is minimal. In addition, the committee has noted from the testimony and data supplied that while the United States is extending what amounts to a subsidized loan—as Administrator Bell stated: each loan is “perhaps two-thirds grant and one-third loan”—other free world and bloc countries are extending their development loans on much harder terms. For example, the following table indicates the terms of loans extended to India by other countries during fiscal years 1962 and 1963:

Loans to India from countries other than the United States

Country—Free world	Loan value	Date authorized	Interest rate	Grace period	Maximum maturity	Country—Free world	Loan value	Date authorized	Interest rate	Grace period	Maximum maturity
UNITED STATES FISCAL YEAR 1962						UNITED STATES FISCAL YEAR 1963					
West Germany:	Millions		Percent	Years	Years	West Germany:	Millions		Percent	Years	Years
Balance of payments.....	\$42.50	Sept. 14, 1961	3	7	20	Maintenance support.....	\$18.75	Dec. 12, 1962	3	7	20
Rourkela refinancing ¹	21.30	May 4, 1962	5½	4	13	Rourkela rehabilitation.....	14.00	do	3	7	20
Commodity aid.....	25.00	June 29, 1962	3	7	20	Projects.....	26.75	do	6¼	5	15
United Kingdom:						Do.....	20.50	do	3	7	20
Capital goods.....	14.00	Nov. 10, 1961	(2)	6½	25	Development banks.....	12.50	do	5½	5	20
Do.....	28.00	May 23, 1962	(2)	7	25	Rourkela expansion.....	100.00	Apr. 25, 1963	5¾	5	20
Durgapur expansion.....	61.60	do	(2)	7	25	Rourkela refinancing ¹	15.35	do	5¾	4	13
Japan: General loan.....	80.00	Aug. 18, 1961	6	5	15	United Kingdom:					
France: 3d plan loan, I.....	30.00	Feb. 5, 1962	5	-----	10	Capital goods.....	14.00	Sept. 4, 1962	(2)	7	25
Italy: Petroleum projects ²	45.00	Aug. 29, 1961	6	-----	12	Do.....	36.40	do	(2)	7	25
Canada: 3d plan projects.....	10.60	Sept. 22, 1961	6	1-5	15-20	Steel, etc.....	9.80	Apr. 9, 1963	(2)	7	25
		Jan. 19, 1962				Japan: Textile machinery.....	10.00	July 20, 1962	6	-----	10
						France:					
						3d plan loan, II.....	20.00	Nov. 19, 1962	5	-----	10
						Industrial Finance Corp.....	10.00	do	6	-----	13
						Italy: Madras Aluminum ³	8.80	Nov. 7, 1962	6	5	12
						Austria: Capital goods.....	5.00	Nov. 23, 1962	6	2	12
						Canada: 3d plan projects.....	14.40	Oct. 15, 1962	6	1-5	15-20
						Belgium: Capital goods.....	10.00	(9)	(9)	-----	10-12
						Switzerland: Capital goods.....	11.40	July 13, 1962	(7)	(7)	10

¹ Original loan for Rourkela steel mill of about \$157 million made in 1958 was for 3 years. This is being refinanced for longer periods as portions of the credit come due. Original credit loans and refinancings should not be added together, since they represent essentially the same credit.

² Treasury rate plus ¼ percent.

³ Part of a general agreement signed Aug. 29, 1961, for extension of credits up to \$96,000,000. Latter figure represents a commitment but not an actual loan.

⁴ Canadian loans given in Canadian dollars, which are worth a little less than U.S. dollars. The total for the 2 years (Canada, \$25,000,000 or about United States, \$23,-

100,000) is believed correct, but the division between U.S. fiscal year 1962 and U.S. fiscal year 1963 is estimated. Canada has also given India substantial grant aid (\$36,000,000 for 2 years, April 1961 to March 1963) as part of its consortium commitment.

⁵ Rate charged by bank consortium which advanced the funds. It is expected that the German Government will subsidize the interest payments, reducing the rate to about 5¼ percent.

⁶ Not available.

⁷ Discount rate plus 3¾ percent.

In comparison with the terms of the loans as indicated above the United States extended eight loans to India during fiscal year 1963 with a total value of \$396,100,000, carrying a maturity date of 40 years, a 10-year grace period, and only three-fourths of 1 percent service charge.

U.S. development loan assistance to Pakistan is no different than such assistance to India. Other nations get good solid banking loans, and the United States seems to get what's left, as indicated in the table below which includes the consortium pledges and loan terms for the second and third years of Pakistan's second 5-year development plan:

Consortium pledges and loan terms for 2d and 3d years (fiscal years 1962 and 1963) of Pakistan's 2d 5-year plan

Consortium member	Total pledge (million dollar equivalents)	Interest rate (percent)	Grace period (years)	Duration (years)
United States.....	500			
AID grants.....	(23)			
AID loans.....	(427)	3/4	10	40
Eximbank loans.....	(50)	5 1/4	1-2	7-18
International Bank for Reconstruction and Development.....	70	5 1/2-5 3/4	2 1/2-5	10-25
International Development Agency.....	139	3/4	10	50
United Kingdom.....	48	1 1/2-6 3/4	5-7	25
Canada.....	38			
Grants.....	(23)			
Loans.....	(15)	6	5	15-20
Germany.....	80			
Loans.....	(60)	3-5 1/2	5-7	20
Loans.....	(20)	6 1/2		10
France.....	25	6		12-15
Japan.....	45	6	5	15
Total.....	945			

¹ Interest rate is the British Treasury rate plus 1/4 of 1 percent. Hence there is a fluctuating interest rate as Treasury rate fluctuates.

² 10 years from time of delivery of equipment or completion of project.

During the hearings, Administrator Bell testified he was sure the United States could get harder terms on our loans, but that our position was that the terms of repayment should be related to the balance-of-payments prospects of the borrowing country. This principle has been accepted by the members of the Development Assistance Committee of the OECD, including Germany, England, and Japan, but the Committee can see very little evidence of softening of lenders' terms as indicated in the table below which is the recent consortium pledges to India for fiscal year 1964:

"INDIA CONSORTIUM AGREEMENT"

"The consortium of countries and institutions interested in development assistance to India concluded on August 7, 1963, a series of sessions devoted to considering India's needs for the third year (April 1963-March 1964) of her third 5-year plan. The pledges announced for the third year of the plan are as follows:

"Aid pledged by consortium for Indian fiscal year 1963-64"

Donor	Amount (million dollar equivalents)	Maturity (years)	Grace period (years)	Interest rates (percent)
Austria.....	7.00	12	2	6
Belgium.....	10.00	10-12		(1)
Canada.....	12.50	15.20	(1)	(2)
	18.00	(2)		
France.....	30.50			
	20.00	10		5 1/4

"Aid pledged by consortium for Indian fiscal year 1963-64—Continued"

Donor	Amount (million dollar equivalents)	Maturity (years)	Grace period (years)	Interest rates (percent)
Germany.....	15.35	13	4	5 1/4
	27.60	25	7	3
	22.60	20	5	5 1/2
	5.15	20	12	5 1/2
	29.00	10		5 1/2
Italy.....	99.50			
Japan.....	45.00	10		(2)
Netherlands.....	65.00	15	5	5 1/4
	7.22	25	7	(1)
	3.88	10		(1)
United Kingdom.....	84.00	25	7	3 1/2
IBRD.....	105.00	12-25	3-5	5 1/2
IDA.....	140.00	50	10	3/4
United States of America:				
AID.....	385.00	40	10	3/4
Eximbank.....	50.00	10-15	3	5 1/4
	435.00			
Total.....	1,052.10			

¹ Not available.

² To be based on Government's borrowing cost or market rate plus an administrative charge or commission.

³ Grants.

⁴ Interest payments to be waived during 7-year grace period. Subsequent payments to be related to United Kingdom Government's borrowing rate. It is expected that the interest charge over the life of the loan will work out to less than 3 1/2 percent.

⁵ IBRD charges current market rate at time loan is made. This has recently been 5 1/2 percent.

In addition to the \$4.087 billion which the United States has already appropriated since fiscal year 1958 for development loans on a bilateral basis, the United States has agreed to participate in two other multilateral development lending institutions and the Congress has provided appropriations as follows:

Inter-American Development Bank

Fiscal year	Estimates	Appropriations
1960.....	\$280,000,000	\$280,000,000
1962.....	110,000,000	110,000,000
1963.....	60,000,000	60,000,000
Total.....	450,000,000	450,000,000

Included in another section of the bill is a recommended appropriation of \$50 million for the Special Operations Fund of the Bank. This appropriation was recently authorized by Public Law 88- —, approved —. In addition, the board of governors recently recommended that each member country of the Bank take the legislative and administrative actions necessary to make the proposed increase in capital stock of \$1 billion as soon as possible. The U.S. share of this proposed increased capitalization of the Bank is \$412 million. This increased U.S. contribution is also authorized by Public Law 88- —.

Another recently established development lending institution is the International Development Association, an affiliate of the World Bank, which was created to provide development financing on more flexible terms than the World Bank. At present IDA makes loans, repayable in dollars, with a maturity date of 50 years, a 10-year grace period, and a service charge of three-fourths of 1 percent. The Congress has provided the following appropriations to date toward fulfilling our total subscription which represents approximately 32 percent of the presently authorized capitalization:

International Development Association

Fiscal year	Estimates	Appropriations
1961.....	\$73,666,700	\$73,666,700
1962.....	61,656,000	61,656,000
1963.....	61,656,000	61,656,000
Total.....	196,978,700	196,978,700

Also included in another section of the bill is \$61,656,000 as the fiscal year 1964 appropriation to the association, with an additional appropriation of identical amount required in fiscal year 1965. In addition, legislation has been recently introduced (S. 2214) which would authorize an additional appropriation of \$312 million to the IDA over a 3-year period beginning in fiscal 1966.

While the committee recognizes the need for a source of funds for development purposes, it questions the wisdom of an apparent trend toward a number of institutions, with the United States as the largest contributor, providing such assistance on soft terms. The World Bank, which was created in 1945, was the original institution in this field. Since its establishment it has made sound bank loans for developmental purposes. However, at the recent international monetary conference held in Washington it was suggested that the World Bank revise its present policy of hard-term loans to one of softer terms. Both of the banks discussed above—the Inter-American Development Bank and the World Bank's affiliate, the International Development Association—now make developmental loans on soft terms.

One objection to loans with soft terms is that with grace periods and maturity dates so far in the future, the banks' resources are soon exhausted and then there is a requirement for additional capitalization. The committee has already noted above the propositions for increased capitalization for both the Inter-American Development Bank and the International Development Association.

In its review of the material presented in support of the foreign assistance estimate, the committee noted in the summary presentation document the following statement:

"In the year and a half since the passage of the Foreign Assistance Act, development loans have become the major instrument of U.S. economic assistance.

"Nearly 60 percent of the total economic assistance program funds requested by AID for fiscal year 1964 is earmarked for lending. This share compares with about 54 percent estimated for fiscal year 1963 and about 30 percent in 1961, the last year of the Development Loan Fund."

In view of the substantial percentage of the 1964 estimate for economic assistance that is requested for development loans, the committee is quite concerned, as it has been in prior years, as to the lack of detailed information presented to the Congress in justification of the estimate of funds required for the program. The committee commented rather extensively last year in its report on this appropriation item with reference to the fact that projects are selected by the Agency and funded only after Congress makes funds available for development loans.

This year Assistant Administrator Hutchinson stated on page 1105 of part 3 of the printed hearings that the development loan program estimate was far more illustrative than any other part of the AID program. The committee questions whether that is possible, but it is willing to take Mr. Hutchinson's word.

Again, on page 1179 of part 4 of the printed hearings, the following colloquy occurred:

"Mr. TALBOT. The answer on the money is, We do not know whether funds appropriated for development loans might be used for one loan or for another yet. Each loan application comes and is examined and a decision is

made in the course of a year, so in our proposals for development loan funds, we are not at this time able to specify which particular development loan application will be accepted.

"Mr. PASSMAN. You are saying this is an illustrative program. Even though you should justify funds for this project, you could always transfer them over to another project, and if you did not request funds for the steel mill project, you could take it out of some other part of the total; is that correct?"

"Mr. GAUD. The amounts we are asking for development are not committed to any project.

"Mr. PASSMAN. That is what I say. It is an illustrative program. Even though you may have no specific plans for the steel mill, at some subsequent date, after you receive the funds, you may decide it is more advantageous to build the steel mill than carry out some other project?"

"Mr. GAUD. No. We are not asking money for specific projects."

The committee is of the opinion that future estimates for development loans should be justified on a country basis with definite loan applications on hand to back up the estimate for each country. In support of its position that such a presentation is possible, the committee points to the Latin America area, where on June 30 AID Washington had specific loan applications on hand in the amount of \$285,552,000, in addition to \$110 million in potential loans which were under negotiation on that date as indicated in the table below:

LOAN APPLICATIONS ON HAND AS OF JUNE 30, 1963

The following list of loan applications on hand as of June 30, 1963, totals \$395.5 million:

Country and purpose	Amount (thousands)
Argentina:	
Irrigation network.....	\$2,500
Modernization of river transport.....	1,770
School construction.....	6,558
Deciduous fruit production....	698
Bolivia:	
Establishment, expansion and modernization of private industries.....	2,400
Drilling, exploitation and processing of crude oil.....	3,000
Construction of a tourist hotel..	1,000
Supervised agricultural credit..	3,700
Brazil:	
Electric power expansion.....	11,000
Cast iron pipe production.....	1,348
Brine industrial program.....	2,580
Chavantes hydroelectric power..	10,000
Funil hydroelectric.....	2,000
Fortaleza power.....	2,400
Northeast Development Banks..	20,000
Chile:	
Communications facilities.....	15,400
Development of timber property.....	3,000
Supervised agricultural credit..	1,500
Fishing and canning plant.....	600
Feasibility studies.....	3,000
Housing.....	5,000
Colombia:	
Savings and loan associations...	5,000
Health and medical facilities....	7,000
Development bank.....	5,000
Supervised credit to small and medium industry.....	2,500
Capital for agricultural and small industrial loans.....	2,000
Expansion of manufacturing facilities.....	5,000
Medellin sewerage.....	4,100
Baranquilla airport.....	6,800
Costa Rica:	
Metropolitan emergency water supply.....	1,400
Development bank.....	4,100

Country and purpose—Continued	Amount (thousands)
Ecuador: IBRD road program.....	\$13,500
Guatemala: Salama-Coban highway.....	6,000
Mexico:	
Housing institution.....	20,000
School construction.....	2,000
Agricultural school construction..	2,000
Nicaragua: Electric power supply..	370
Panama:	
Abattoir construction.....	300
Development bank.....	4,500
Peru:	
Expansion program of university..	7,628
National highway development program.....	40,000
Aided self-help secondary roads..	2,200
Construction of Pativilca hydroelectric plant.....	2,500
Hydroelectric power project Canon del Plato.....	2,200
Uruguay: Construction of primary classrooms.....	5,000
Central America:	
Housing.....	10,000
Fund for Central American integration.....	25,000
Program loans under negotiation between United States and recipient countries which cannot be identified by individual country in unclassified form until negotiations are completed.....	110,000

Total loan application, on hand June 30, 1963, in AID Washington headquarters.. 395,552

Inasmuch as the specific loan applications, exclusive of the loan applications in negotiation, are approximately 52 percent of the fiscal year 1964 estimate for development loans in Latin America, and if the additional \$110 million of loans in negotiation are included, the percentage rises to approximately 70 percent, the committee is of the opinion that the Agency could and should have a separate project sheet for each loan by country which would supply all pertinent data on each proposed loan. With such information on hand, the committee would have a more businesslike basis upon which to recommend funds for this type of program. As it is now, the committee and the Congress are asked to appropriate funds in the dark, and can only hope that the Agency will approve during the year only those applications that are sound, worthwhile investments.

In addition, the estimates would not contain items such as the \$20 million estimate for development loans for Israel which, according to the justifications, "rests increasingly on political comparisons rather than on an economic evaluation."

Such a presentation would also give the Congress itself an opportunity to approve or disapprove loan applications for specific projects such as the Bokaro steel mill project in India. As the program is presented to the Congress now, the only way the Congress can express its disapproval of a development loan project is through a specific prohibition in the authorization act. The committee is of the opinion that the Congress should have a strong voice in the decision as to how the U.S. taxpayers' money is to be spent overseas. As it is now, the Executive has the sole authority for this decision.

In connection with the Bokaro steel mill project in India on which the House has expressed its opinion, the committee was quite concerned to read that our Ambassador to India, Chester Bowles, made the following statement in a press conference in Calcutta on September 25 subsequent to House action on the authorization bill:

"Ambassador BOWLES. The next point that is important to remember, that this does not in any way change the amount of American aid money going to India. We had been planning to spend \$500 million on Bokaro. We will now have \$500 million we didn't have before to spend on something else. This now releases the same sum of money for other projects, assuming we continue to get the budgets we have had for aid to India. It is not a loss of income or aid money or grants or loans to India—it simply switches from one set of projects to another. For instance, there are projects which India is financing herself with her own foreign exchange, that you earn from the sale of jute, iron ore, and other products. We can take over some of those, releasing your own funds for Bokaro."

Such an attitude on the part of the U.S. Ambassador to India is hard to understand and, in the opinion of the committee, puts any project in India which the United States may finance in the future in a very questionable light. Based on its hearings on the Bokaro steel mill project, the committee is of the further opinion that there is no justification for the allocation of any funds contained in this bill for the oversea construction of steel mills.

The committee will expect, in connection with the fiscal year 1965 and future budgets, detailed justifications (or project sheets) on each individual loan proposed for each country in the development loan estimate.

The committee has noted the strong recommendation of the Senate Foreign Relations Committee that the executive branch take advantage of the authority of section 205 of the Foreign Assistance Act whereby up to 10 percent of development loan funds may be lent to the International Development Association for further relending. This Committee strongly opposes the use of section 205 by the executive branch on two counts. One, the United States has to date appropriated \$196,978,700 to the association and included in another section of the bill is the recommended appropriation of \$61,656,000 as the fiscal year 1964 payment, with an additional \$61,656,000 due in fiscal year 1965. In addition, legislation has been introduced recently authorizing an additional U.S. contribution of \$312 million to the association, with the first payment due in fiscal year 1966. Two, the committee is recommending in this bill the appropriation of \$600 million for development loans on a bilateral basis with the understanding that, to quote Secretary Rusk, it "further our own national interest" which may or may not be shared by an international organization.

The committee is of the further opinion that appropriations to the International Development Association should first be authorized and then approved on the merits of the proposition, rather than on a "back door" basis as recommended by the Senate Foreign Relations Committee. Therefore, the committee has included in the bill a limitation providing that none of the funds contained in the bill may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

Mr. PASTORE. Mr. President, may I inquire how much time is left to me?

The PRESIDING OFFICER (Mr. INOUE in the chair). The Senator from Rhode Island has 5 minutes remaining.

Mr. PASTORE. I yield 5 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. I have heard much discussion during this debate on the request and recommendation of the Presi-

dent. Of course, we all respect that recommendation. However, I am going to talk about the pending amendment from a different point of view. I am going to talk about our standing by the Senate and standing by the Congress, because only a few days ago we passed an authorization bill in the amount of \$3,600 million. Of the figure now in issue the authorization bill approved more than the amount that is included in the Senate committee bill. It included \$925 million and the Appropriations Committee cut it down to \$800 million, as I remember the figures, and we are asked to further cut that amount to \$600 million.

It seems to me that we must regard our own position, already solemnly expressed, as worthy of some consideration at this time. We fought 3 weeks on the authorization matter in this Chamber and the other body fought long periods of time. Then in conference the matter was tied up for a long time and we came out with a conference measure, which was approved by a heavy vote in the Senate by the very ones who are now asked to pass upon this amount, which is a somewhat smaller amount than that which we approved in the conference report. Before that authorization bill ever got to the White House we were asked to cut the entire measure some \$600 million and were asked to cut the particular amount for development loans from \$925 million to \$600 million.

I do not believe that is the way to make the people of this country have confidence in the Senate and in the integrity of the Senate, particularly in the integrity of the final expression of the full Congress when a conference report, after all of the long debate, has been approved by Congress.

So, as far as I am concerned, I hope we will keep this particular bill—this appropriation bill—as near the conference report on the authorization measure as it is possible to do so, realizing perfectly well that the other body has seen fit to heavily reduce a large part of the authorization measure and that the real battle will be in conference.

If we proceed to cut down amounts so as to make our bill like the House bill, we shall indeed not only be ignoring the wishes of the President but we also shall violate the deliberate expression of the Senate and the expression of the Congress.

Mr. President, I do not believe that is the way to create confidence on the part of the public generally in the expressions of Congress. We enacted an authorization bill, worked out over a period of weeks, and before there is time to have that measure approved by the President, we—the same Senators and the same Representatives who gave our approval by a large majority to the authorization bill—come along and say we did not mean what we said. On the contrary, we are now asked to say that we meant something entirely different, and that we wish to cut down very heavily on the figures which we agreed to in the authorization bill.

I have a great deal of respect and confidence in the distinguished author of

the pending amendment. I stuck by him in most of his fight on the authorization bill. The record will show except as to one vote on a \$25 million cut—which, by the way, was proposed by the distinguished Senator from Oregon—I voted for every cut which we made during the authorization debate.

I voted for the conference report which was \$100 million, roughly, less than the bill which we passed in the Senate. I believe when we have once set our hands to the plow and approved a conference report and an authorization bill, it ill becomes men of maturity and men of sound judgment to turn around and try to cut back \$600 million of what we have worked out after long pain and great give and take and sincere effort.

I shall not be a party to approaching the matter in this way and I shall vote against the amendment.

Mr. PASTORE. Mr. President, I thank the Senator.

Mr. President, may I inquire whether there is any time remaining?

If there is any time left, I will yield it back. We are now ready to vote. I believe we have said everything that can be said on this subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present, and voting, the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Tennessee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Tennessee [Mr. GORE].

If present and voting, the Senator from Mississippi would vote "yea" and the Senator from Tennessee would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senator from Colorado [Mr. ALLOTT], and the Senator from Kansas [Mr. CARLSON] would each vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 30, nays 54, as follows:

[No. 277 Leg.]

YEAS—30

Beall	Hruska	Proxmire
Bennett	Johnston	Robertson
Bible	Jordan, N.C.	Russell
Byrd, Va.	Jordan, Idaho	Smith
Cannon	Long, La.	Stennis
Cotton	McClellan	Symington
Curtis	Mecham	Talmadge
Ellender	Miller	Thurmond
Ervin	Morse	Williams, Del.
Gruening	Mundt	Young, N. Dak.

NAYS—54

Aiken	Goldwater	Metcalf
Anderson	Hartke	Monroney
Bartlett	Hayden	Morton
Bayh	Hickenlooper	Moss
Boggs	Holland	Muskie
Brewster	Humphrey	Nelson
Burdick	Inouye	Neuberger
Byrd, W. Va.	Jackson	Pastore
Case	Javits	Pell
Church	Keating	Prouty
Clark	Kennedy	Randolph
Cooper	Kuchel	Ribicoff
Dirksen	Lausche	Saltonstall
Dodd	Mansfield	Smathers
Douglas	McCarthy	Sparkman
Edmondson	McGovern	Williams, N.J.
Fong	McIntyre	Yarborough
Fulbright	McNamara	Young, Ohio

NOT VOTING—16

Allott	Hart	Scott
Carlson	Hill	Simpson
Dominick	Long, Mo.	Tower
Eastland	Magnuson	Walters
Engle	McGee	
Gore	Pearson	

So Mr. ELLENDER's amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORTON. Mr. President, I offer a pro forma amendment, to strike title 1 from the bill. I do this only to get some time. I shall not take more than a few minutes.

Mr. HUMPHREY. Mr. President, I ask the Senator from Kentucky if he is willing to yield to the distinguished Senator from Connecticut [Mr. Dodd], who has an item that can be handled very promptly, and which has been cleared on both sides of the aisle. If it takes more than 1 minute, it will be withdrawn.

Mr. MORTON. I yield for that purpose.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that this may be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. DOUGLAS. Mr. President, I wish to confirm the statement made by the Senator from Kentucky regarding the coffee situation. We were urged by the administration to deal promptly with the implementing legislation, and we set aside last Monday as the day to act. Then a bewildering succession of letters followed. They were almost impossible to keep up with. Finally we were begged not to hold the session. The chairman was put under heavy pressure not to hold the session. It is unfair to blame him for what happened.

Now there is a very interesting future problem. The Senator from Arkansas has implied that the State Department has deposited the treaty. I thought it was not to be deposited until the Senate had approved the implementing legislation. The Senate has not approved it, but I infer that the treaty has either been deposited or will be shortly. The Senator from Alaska and I together with other Senators, voted against the treaty. I voted against it because, though I am sympathetic toward the position of the Latin American countries, I am afraid we shall be asked to support all the commodities of Africa and Latin America—the prices of which have fluctuated in the world market and in the main decreased. We may be called upon to hold up the world commodity price not only of coffee, but also cocoa, and the operation may range to other commodities. I am afraid it will cost our consumers in the United States hundreds of millions of dollars.

It may be that this is the policy which we should follow. I am very dubious about it. I cannot conscientiously vote for the treaty.

Now the treaty has been deposited as I infer from the Senator from Arkansas or shortly will be although an agreement had previously been reached that it would not be deposited until after the implementing legislation had been approved.

When the implementing legislation comes up, it will, of course, be said that it would be very ungracious on our part to withdraw a treaty which had already been deposited. Moral pressure will be put upon the Senate to approve the implementing legislation. In short, if there has been a ploy, it has been a ploy by the State Department to force the Senate into a position in which it will be compelled to ratify a measure to which some of us may have objection. I hope this is not a ploy on the part of the State Department and I would welcome a pledge of good faith on their part that they will not deposit the treaty unless and until the Senate has approved the implementing legislation. That was the original pledge. It was the understanding when orders were reversed and we were asked to delay instead of to expedite the implementing legislation. If it is not carried out someone will be guilty of a flim-flam. It will not be the Senator from Virginia. It will not be the Senator from Illinois. I may be old fashioned and unable to play the Washington game.

But I have always thought pledges should be carried out.

Mr. FULBRIGHT. I do not believe that the State Department was at fault. There are some new people at the White House. I honestly believe that they were not aware of what they were undertaking to do with regard to depositing the instrument of ratification. I do not believe they understood it. I believe this from my conference with Mr. Dutton; namely, that they were crossed up by the request not to suspend the hearings that had been planned. That is my belief of what happened.

The coffee agreement is not a part of the support program. All it imposes upon us is a reporting duty, to report the origin of the coffee. There is nothing in the authorization which would cause us to spend hundreds of millions of dollars in support of anyone's prices. We agreed to cooperate with countries which are producers of coffee, in reporting the origin of the coffee which comes into this country. What they are trying to do is stop the very serious overproduction with which they are plagued. We very properly are sympathetic with that aim. I do not believe it will result in a great support program.

I understand the Senator from Illinois has in mind a support program similar to the support program on wheat and other commodities. That is not involved.

Mr. DOUGLAS. For years that is what was done for sugar, and the Senator from Arkansas and I were the only two Members of the Senate who voted against it.

Mr. FULBRIGHT. The Senator is correct. We do not make any commitments in the coffee agreement to support any prices under it. There is no authority to do so.

All we would really do in the implementing legislation would be to provide the mechanics for reporting to the producers what the origin of the coffee is. The allocation of it is in no way dependent upon a price that we commit ourselves to pay. I do not wish to leave the impression that we are undertaking a support program, because I do not believe that is so.

Mr. DOUGLAS. I hope that is correct: I am sure the Senator from Arkansas speaks correctly. We do not have implementing legislation before us, and we do not know what would be its contents. We know that the producing countries are most desirous of having the support of the United States in maintaining and increasing the price of coffee. I think this is a proper question to raise.

We also know that behind the coffee agreement is a cocoa agreement, which, as I understand, is a price-fixing and output-restricting agreement. As I say, it may be that we should adopt these measures; but they are grave matters of public policy, and huge sums of money are involved. I think it is appropriate that we look into these questions. The State Department, or whoever was in charge of this matter, said we made some extraordinary "boners" in this connection.

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. For example, incompetence. While I differ with my chair-

man (Mr. BYRD of Virginia) on most matters of tax policy, and shall probably continue to differ with him, I think that in this respect he is completely faultless. The blame lies somewhere else.

I conclude by saying that I believe the Washington Post is a great newspaper.

Mr. GRUENING. Mr. President, will the Senator from Arkansas yield, so that I may address a question to him?

Mr. FULBRIGHT. I yield.

Mr. GRUENING. Does the chairman of the Committee on Foreign Relations know whether the increase of 6 cents a pound, to which the Senator from Kentucky [Mr. MORTON] has referred, is a result of the negotiations? Has it any relation to the treaty?

Mr. FULBRIGHT. The treaty is not yet in effect. I do not know how to explain the increases in the stock market or the increase in the price of sugar from 3 cents a pound to 10 cents a pound. The price of coffee responds to influences that I do not understand; but it could not be as a result of the agreement, because it is not yet in effect.

Mr. GRUENING. Could it be psychological?

Mr. FULBRIGHT. It could be; I do not know. However, there is now a vast oversupply of coffee. A huge supply is in storage. Speculation takes place in other products, such as salad oil, about which we have been reading. I do not know what is the factor. I do not see how it could be said that it is a result of the agreement, because the agreement has not yet gone into effect. It does not impose any duty on us to support any price. We would cooperate with other countries in reporting where the coffee came from and enabling them to try to establish some kind of equitable limitation among themselves, because utter chaos exists in many countries which produce coffee.

Rather than to say the agreement would have the effect of supporting prices, most likely it would have the element of bringing stability into the market, so that the price would not gyrate in such violent fashion from year to year, and thus disturb the economy of the countries which produce coffee.

Mr. MORTON. Mr. President, I yield back the remainder of my time.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Arkansas to enable him to make an insertion in the Record.

TRIBUTE TO PRESIDENT KENNEDY BY SAM FAUBUS

Mr. FULBRIGHT. Mr. President, Mr. Sam Faubus, one of my esteemed constituents and a good friend, recently wrote one of the most succinct and eloquent tributes to President Kennedy that I have seen. This tribute to our late President appeared in the Madison County Record, which is published in Huntsville, Ark. The Madison County Record is owned by the Governor of Arkansas, who is the son of Mr. Sam Faubus.

Sam Faubus was introduced to President Kennedy when the President dedicated the Greers Ferry Dam in Arkansas this fall.

I ask unanimous consent that the letter by Mr. Faubus be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMBS, ARK.

DEAR EDITOR: I am stunned and bewildered. I don't seem to be able to realize that the bright-eyed, dark sandy-haired young man that greeted me with a smile and a warm handshake and told me he had received a nice letter from my daughter, Bonnie, in California, only a few days ago, now lies murdered by the hand of an assassin.

When history has rendered its verdict it will place the name of John Fitzgerald Kennedy as one among the greatest Presidents this country has had since the time of Abraham Lincoln. He has done more for peace and freedom in the 3 short years he has been President than any man in our Nation's history.

Children will read about John Fitzgerald Kennedy in their history books for generations to come, and men believing in liberty, justice, and freedom will revere his name throughout the entire world.

SAM FAUBUS

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. MORTON. Mr. President, I withdraw my pro forma amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. PASTORE. I yield 2 minutes to the Senator from South Carolina.

MEMORANDUM DIRECTED TO HEADS OF DEPARTMENTS AND AGENCIES OF FEDERAL GOVERNMENT BY PRESIDENT JOHNSON

Mr. JOHNSTON. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum directed to heads of departments and agencies of the Federal Government by President Lyndon B. Johnson, who asks that a personal message from him be conveyed to all Federal employees.

In response to the unspoken question spontaneously asked by the men and women of the Federal service, "What can I do to help?", President Johnson replies: "Give your best to your job and your country." We can never forget that it was our late President John F. Kennedy, who enjoined us all to seek our country's needs.

As chairman of the Committee on Post Office and Civil Service, and as a friend of the Federal employee, I welcome this message from President Johnson and I am sure that his words will be heeded by the loyal and devoted corps of Federal employees everywhere who have always responded to every challenge with devotion and pride in their work.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., December 13, 1963.

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

I ask that you convey this personal message to all of your employees:

In these first days, men and women of all ranks within the government have asked me, "What can I do to help?" Many more of you, deeply committed to the Federal service, are undoubtedly asking yourselves the same question. It is impossible for me to make a direct and personal response to all of you, much as I would like to do so. Yet there is an answer which I would like to express to every employee in every agency at every location in the Federal Government. It is simply this: "Give your best to your job and your country."

As your Chief Executive, I will do my utmost to maintain the high quality and character of the career service in the Government and to advance its usefulness through improvement. I will look to those who direct the day-to-day activities of this great work force and to the Chairman of the Civil Service Commission for continuing reports and recommendations to assist me in this purpose.

We have a great resource of abilities and talents among the people serving our Federal Government. We have career systems to assure continuity of people and programs. We are organized for the job, and the work is before us. President Kennedy did not shrink from his responsibilities, but welcomed them, and he would not have us shrink from carrying forward the great work he began so well. I say to you as I said to the Congress: "Let us continue."

LYNDON B. JOHNSON.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. ELLENDER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 17, it is proposed to strike out \$1 billion and insert in lieu thereof \$977,700,000.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to reduce the amount of the military assistance fund to \$1 billion, which is the amount provided in the authorization bill. Arguments have been advanced here this afternoon that we should try to keep this bill as close as possible to the authorization bill. This is what I seek to do with this amendment. In fact, if this amendment is adopted there will be appropriated for military assistance the precise amount which was authorized by Congress a few weeks ago.

The bill as adopted by the House and the Senate Appropriations Committee provides a total of \$1,022,300, or \$22,300,000 more than was authorized.

I hope the Senate will agree to reduce the amount for military assistance to \$1 billion, the amount authorized. I urge the Senate to adopt my amendment.

Mr. PASTORE. Mr. President, the point made by the distinguished Senator from Louisiana has much merit. The authorization for military assistance was \$1 billion. It is all unobligated money. It had not been spent. There was a surplus of \$22.3 million that the House reappropriated. The purpose of the amendment is, more or less, to delete that amount from the military assistance fund.

I have discussed the amendment with the ranking Republican member of the Committee on Appropriations and am perfectly willing to accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was adopted be reconsidered.

Mr. GRUENING. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I move to strike title 6, on page 21, lines 1 through 20.

This is a pro forma amendment. I shall speak on another subject and yield myself 10 minutes.

THE ALLIANCE FOR PROGRESS—ANOTHER CHANCE

Mr. JAVITS. Mr. President, I wish to speak today briefly on the Alliance for Progress in response to the major move just made by the President in an effort to unify authority within our Government over Latin American affairs. He has appointed both as his White House aid for Latin American policy matters and as Assistant Secretary of State for Inter-American Affairs, Ambassador Thomas C. Mann. Thus the President is seeking to be sure that we speak with one voice concerning Latin American policy.

In my opinion, the Alliance for Progress is at the crossroads. It is an extremely vital program to our freedom and security; hence, as Mr. Mann—whom I know and admire as a personal friend, and who is a real leader in the field of Latin American policy—is about to take over direction of our Latin American policy, I felt that such views as I had upon this grave subject should be made known before the Senate recessed for the Christmas holidays.

I speak today, not as a critic, but as one whose thoughts might help to chart a new policy—a policy of realism—for an alliance for success. The hour is late and there is much trouble in Latin America and more may be impending.

Mr. President, my qualifications for making this analysis are, I believe, fair. Not only have I interested myself deeply in Latin America during the 15 years I have served in the Congress, including 8 years of service on the Foreign Affairs Committee of the House of Representa-

tives, but I am also, in cooperation with the distinguished Senator from Minnesota [Mr. HUMPHREY], currently engaged in a major effort designed to bring a massive influx of capital and technical assistance from the United States, Western Europe, and Japan to Latin America.

Mr. President, the future of the Alliance for Progress and the economic prospects for the peoples of the other American states are in the balance. I believe that we must take at least five steps to reconstitute the Alliance for Progress. We must attempt to convert it from a program struggling to keep afloat into an effort founded on self-help and mutual cooperation which is capable of using the winds of social and economic revolution to arrive at a safe harbor of peace.

These five steps are:

First. The United States should join the countries of the hemisphere in a supreme effort to transform the Alliance into an effective political movement, and to galvanize Latin American public opinion into action behind it.

Second. The United States should concentrate the resources it makes available to Latin America under the Alliance in the countries with the greatest economic and political potential.

Third. The United States should be ready to use its forces, consistent with the Inter-American Treaty for Reciprocal Assistance, if called upon by duly elected governments in self-defense against Communist subversion or terror, and lend its full support to collective action by the nations of the hemisphere.

Fourth. It is essential that the United States revise its trade policies toward Latin America and put its full support behind the formation of a Hemispheric Common Market.

Fifth. The United States should devise new incentives for private capital as an inducement to bring new enterprise and new capital into Latin America.

For the "winds of revolution" in Latin America—about which much is said, and little understood these days—have been blowing and gaining force since the first wars of independence from European powers were waged and won in the 19th century. Originally inspired by our own Revolution and the ideas of Bolivar, San Martin, Artigas, Hidalgo, and other Latin American patriots, this upheaval has taken on an urgency calling for a major effort on our part to supply it with new inspiration.

The basic causes of this upheaval are not difficult to discern; centuries-old poverty of unbelievable proportions; short life spans for the people; failures of social justice and the absence of meaningful land reform, of human dignity, and an erosion of faith among the people in the ability of the democratic process to bring about substantial and rapid enough improvement in the economic welfare of the masses. The growing agitation is fed by worsening terms of trade and economic and social conditions and is creating almost intolerable tensions in the body politic of Latin America and in the relationship among the countries of the Western Hemisphere.

The situation confronting the hemisphere is of overpowering dimensions. In the last decade, the population of Latin America rose from 163 million to 206 million, an annual increase of more than 4 million or 3 percent annually—one of the highest birth rates in the world—while gross national product rose from \$38 billion to only \$55 billion. Per capita gross national product rose from \$230 in 1953 to \$265 in 1961, and since that year, per capita gross national product has fallen. Prices received from Latin America's exports have steadily declined since 1954, from an index value of 120—1958=100—to 93; and the terms of trade have gone against Latin America—a given volume of Latin American exports now buys only 89 percent as much from the industrial regions of North America and Europe as it did in 1957.

While U.S. economic assistance increased from \$450 million in 1960 to \$1.4 billion in 1962, the flow of new capital from the United States has almost dried up. The majority of the adult population in Latin America remains illiterate. Brazil is faced with political instability and rampant inflation; the Dominican Republic, Honduras, and Ecuador are undergoing trials for democracy, a legacy of past military takeovers; Paraguay and Haiti show little promise of release from military dictatorship; Peru, Bolivia, and Argentina are facing grave social and political pressures; meanwhile the Communists are hard at work to foment, for their purposes, popular movements based on legitimate discontents.

Our response to these challenges was the Act of Bogotá signed under the Eisenhower administration and the Alliance for Progress, a joint program of action established at Punta del Este by representatives of the 20 member nations of the OAS on August 17, 1961. The Alliance for Progress is "to enlist the full energies of the peoples and governments of the Latin American Republics in a great cooperative effort to accelerate the economic and social development of the participating countries of Latin America, so that they may achieve maximum levels of well-being, with equal opportunity for all, in democratic societies adapted to their own needs and desires." These goals include a minimum average per capita income growth of 2½ per year, more equitable distribution of national income, elimination of illiteracy by 1970, an increase in life expectancy of at least 5 years, enactment of comprehensive land and tax reforms, and encouragement of private enterprise.

To carry out this program it was estimated that \$100 billion would have to be invested in Latin America during the first decade. The bulk of this—some 80 percent—is to be financed locally from public and private funds. The United States agreed to underwrite over 10 percent of the \$20 billion to be supplied from sources outside Latin America; with private U.S. investors hopefully expected to furnish \$300 million a year or \$3 billion over a 10-year period.

The Alliance is now 2 years old. With such a short perspective, it is difficult to assess its achievements and shortcomings. Under the Alliance, the Latin

American nations are learning to work together for the first time and to combine for self-help and mutual cooperation in taking responsibility for the fulfillment of the Alliance. The Alliance is also serving a vital function by making reforms respectable—a whole generation of young technicians eager to modernize their societies have been reinforced by the new and sympathetic endorsement of their goals on the part of the United States. The Alliance has made such painful measures as land and fiscal reform respectable. It has instilled a new sense of direction, a new point of reference from which to attack the vast and unresolved problems Latin American states have heretofore faced with less chance of success. On the other hand, despite the Alliance, one could point to the decline in new private capital flowing into the area, a decline in U.S. aid commitments and in actual outlays; and the need, now probably to be realized under Ambassador Mann, for streamlining the policymaking structure within the U.S. Government dealing with the Alliance.

But the underlying problem of the Alliance is in the political arena. The problem is well defined by Tad Szulc, a New York Times foreign correspondent in Latin America for the past 10 years, in his new book, "The Winds of Revolution":

There still seems to be little realization in the politically mature West that the Latin American social revolution inherently has a political content, and that it cannot be treated solely as a statistical problem of increasing production, distributing wealth more equitably, and providing educational and health services. Though these material needs must, of course, be filled, there also is an abysmal political void in Latin America that will invite other ideologies if democracy cannot make its influence felt. And it may be more urgent today to fill this vacuum than to offer another billion dollars or even to raise the annual per capita income by 2.5 percent, as the Alliance for Progress unrealistically prescribes. For there is in Latin America a profound feeling of unrest, unfulfillment, and frustration among intellectuals, students, politicians, and the middle class. There is a hunger for a new orientation that sends Latin Americans in increasing numbers to the meccas of Havana, Peking, and Moscow—in that order—and makes so many of them challenge the meaning of Western representative democracy and raise the question, "Why should we follow the United States?"

More than 2 years after President Kennedy proposed the Alliance for Progress, this country has not yet provided an answer to this question in political terms fully satisfying to the Latin Americans. Although the Alliance is slowly beginning to be considered in terms of a political concept instead of merely an aid and self-help proposition, it has not yet been able to generate the political excitement and mystique that is vital for the success of the democratic social revolution President Kennedy has invoked.

The forthcoming decade is going to test our capability to understand the dynamics of social revolution and our ability to give it its direction and fulfillment. In Latin America today, we are engaged in a broad political contest with the forces of communism and radicalism. If we fail to understand this, no amount of economic aid is going to help.

Yet this ferment should not be alien to us. It is not unlike the other struggles we have had in our history.

As a necessary first step, the United States should join the countries of the hemisphere in developing a political mystique which exceeds the narrow boundaries of nationalism in order to transform the lofty objectives of the Alliance into a program of social and political action which is meaningful to the masses of Latin America, and to weld the scattered forces of democracy—the liberal political parties, the new generation of young intellectual, professional, and industrial leaders, the democratic labor movement, the churches—into a united dynamic force.

Resolution E adopted at Punta del Este in 1961 offers an excellent means to this end. Entitled "Public Opinion and the Alliance for Progress," the resolution recognized that "in order to reach the Alliance's objectives it is essential that public opinion be fully informed of the causes that have brought about this movement, of the goals it seeks, and of its successive achievements." To implement it, the resolution calls for six concrete steps:

First. The convocation of a special meeting on information media to develop a plan of action.

Second. The Department of Public Information of the OAS to give preferential attention to the dissemination of information on the efforts to be undertaken and to take other specific steps.

Third. Information media of all types to direct their efforts to increase the awareness of Latin American countries to each others' problems.

Fourth. The establishment of educational centers to disseminate knowledge of the social and economic development inspired by the Alliance.

Fifth. Members of the OAS to promote holding of conferences, seminars, and roundtables to report and discuss the main economic and social problems of the hemisphere and their possible solution within the Alliance.

Sixth. To call on public opinion, trade unions, labor, and student organizations to become aware of the social implications of the Alliance and to take an active part in the dissemination of information on its objectives.

The implementation of these steps is an essential first step to galvanize Latin American public opinion into action, to the evolution of the Alliance into a political movement, and to make the Alliance democracy's answer to radicalism.

During March 1962, meetings were held by a newly created OAS Technical Advisory Committee on Public Information to search for means to implement Resolution E. The key recommendations made by the Committee calls for the establishment of national committees in the member states of the OAS.

The principal function of these committees is to promote and encourage the efforts and initiative of various groups, representatives of all the social sectors of the peoples of the Americas, to give effective impulse to the development of the Alliance for Progress program—an impulse which is woefully lacking at the

present and without which the Alliance will surely fail. On May 2, 1962, the Council of the OAS, in approving this recommendation, called on governments to facilitate the formation of such national committees whether of an official, semiofficial, or private nature.

As of today, no such committee for the Alliance for Progress has been created in the United States, while 16 of the 19 Latin American countries—all except Bolivia, Haiti, and Paraguay—have formed such committees. It should become an objective of the highest priority to our Government, to our free press, to our private foundations, to our civic organizations and to our public-spirited citizens to organize a U.S. Committee for the Alliance for Progress in an effort to increase the awareness of our own people of the enormous importance and implications of the Alliance to the future of the hemisphere.

So I direct the attention of Ambassador Mann to this problem as the first item of high priority in connection with the task of saving the Alliance.

Second, U.S. economic aid funds under the Alliance should be concentrated in selected Latin American countries with the greatest economic and political potential.

The Alliance has available to it limited resources. These limited resources spread over 19 countries would find it hard to make a major impact in any of them. Instead, the limited external resources committed to Latin America by the United States should be directed in large measure to countries where opportunities exist for rapid economic expansion, countries where there is some hope for success in the near term, countries with strategic significance to the success of the Alliance and to the security of the hemisphere. We should make a major effort to achieve a breakthrough in such countries and should we succeed, these Latin American countries in turn could become centers of strength for their fellow countries.

Let us concentrate our capital resources committed under the Alliance in these countries. To the others let us extend our full cooperation in the field of technical assistance, education, health, transportation, and so forth, and enlist the support of the Inter-American Development Bank, the Development Assistance Fund of the OAS—established at the São Paulo Conference in mid-November 1963—and make every effort to make them the beneficiary of the full range of progress now being made through the Inter-American Economic and Social Council.

Third, the United States should be ready to use its forces consistent with the Inter-American Treaty for Reciprocal Assistance if called upon by duly elected governments in self-defense against subversion and terror—including aggression from Cuba or other similar efforts from outside the hemisphere—and lend its full support to collective action by the nations of the hemisphere. The Inter-American Treaty for Reciprocal Assistance signed at Rio de Janeiro in 1947 makes any collective action—including the recall of chiefs of

diplomatic missions, the breaking of diplomatic and consular relations, partial or complete interruption of economic relations, or communications—mandatory, if two-thirds of the 20 member countries so decide, except that no member is required to use its armed forces without its consent.

The organized terror campaign waged against the government of President Betancourt incident to the recent Venezuelan elections provides a primary example of a situation in Latin American countries should be in a position to defend themselves against. President Betancourt has accused the Cuban Government of having interfered in the internal affairs of Venezuela and has proposed that the OAS adopt stern collective measures against Cuba if evidence of clandestine Cuban shipments of arms to Venezuela is confirmed.

I believe we should support President Betancourt to the hilt. This may be the first example of what can be done in the Americas to correct an intolerable situation. There is ample authority under the Rio Treaty for taking such action.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself 4 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 additional minutes.

Mr. JAVITS. If the President of the United States feels that he needs a congressional resolution to enable him to do that, I am sure there are a dozen Senators in the Chamber, including myself, who would gladly sponsor such a resolution. The Senator from Oregon [Mr. MORSE], chairman of the Subcommittee on Latin American Affairs, the Senator from Minnesota [Mr. HUMPHREY], and other Senators would be ready to give him the added power needed to protect freedom and democratic institutions in any country that seeks our protection, especially when we can act collectively with other American States.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. I wish the RECORD to show that I join the Senator from New York in the proposals he is making.

Mr. JAVITS. I am grateful to the Senator from Oregon.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HUMPHREY. I should also like to state for the RECORD that I join the Senator from New York in the proposals that he is making.

Mr. JAVITS. I am grateful also to the Senator from Minnesota.

Fourth, a revision of current U.S. trade policies toward Latin America will be necessary to make the Alliance successful. We are firmly committed to help the economic and social development of Latin America through the Alliance. Much of our economic assistance will be nullified unless we can assist Latin America to broaden its markets in the United States and Western Europe. Im-

portant U.S. restrictions continue to be maintained on Temperate Zone and tropical products exported by Latin America, including restrictions on imports of beef, under the Imported Meat Act of 1930; import quotas maintained on cotton and cotton textiles under section 22 of the Agricultural Adjustment Act; quotas on lead and zinc set by a Presidential proclamation under the Trade Agreements Extension Act of 1951; and quotas restrictions on imports of crude oil, unfinished petroleum oils, and some finished petroleum products set under the national security provisions of the Trade Agreements Extension Act of 1951.

Latin America is watching us to see whether we practice what we preach. I know that problems caused by import competition are grave for many industries in this country, but how much greater will they be if Brazil or some other great segment of Latin America "goes down the drain" precisely because we have not been ready to adjust our trade policies to the realities facing us in the hemisphere. I have said before, and I repeat again, that the whole of the economic assistance we give to any Latin American country can be negated in an afternoon by even a modest fall in the price of the main commodity sold by that country. The inability of Latin American countries to sell their products in our market is equally damaging to them.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HUMPHREY. I am pleased that the Senator has spoken so forthrightly on this matter, for the reason that I supported the coffee agreement. I do not believe the coffee agreement has satisfied all the needs of the coffee-producing countries, but it is better for those countries to earn their way receiving a fair price for a commodity than to depend on charity or even large and soft term loans.

The dropping of commodity prices in Latin American countries in the last 10 years has been disastrous to them. No amount of foreign aid will make that up. That is why I believe that while the consumer may be required to pay a little more for his coffee, the commodity price should be a fair price. We can always use the argument about the consumer. If we have labor working for 25 cents an hour, we can build a cheaper house or we can sell an automobile cheaper; but, after all, workers are also consumers; 25-cent-an-hour workers or \$1-an-hour workers are not good consumers. So, a fair price for the producer's commodity is an important matter. That is one of the reasons why we need to trade and improve trade patterns, as the Senator has emphasized.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield me 5 minutes from the opposition time that I may conclude my remarks?

Mr. HUMPHREY. I am glad to yield 5 additional minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 additional minutes.

Mr. JAVITS. Mr. President, let me say in support of what the Senator from Minnesota [Mr. HUMPHREY] has said about the consumer, that volatile changes in the price of coffee result in unexpected shortages as well as in the oversupply of commodities, which not only damage the producing country but—in case of shortages—the consumer in the form of higher prices. In times of overproduction, commodity prices fall, but so does the producer's income and his ability to buy our goods. That is the price of instability in raw commodity prices.

We should consider, in light of the serious situation that now exists in many parts of Latin America, whether restrictive trade policies remain justifiable. During the forthcoming trade talks under GATT we should do all we can under authority given in the Trade Expansion Act to obtain continued entry for Latin America's products to the European Economic Community countries, and to assist with two basic problems facing Latin America with the EEC: preferential import treatment for tropical products from the associated African States which are in direct competition with Latin American exports; and temperate zone agricultural products—major exports from Argentina and Uruguay to Western Europe.

The cuts made in the House of Representatives in the aid appropriations for the Alliance for Progress has dealt a crippling blow to the image of the United States in Latin America. Should these cuts be sustained in the Senate, the only thing that could effectively balance this blow would be for the President to make an immediate review of our present trade policy toward Latin America and propose a unilateral reduction in our trade barriers in compensation.

Another aspect of the trade problem in Latin America is the movement toward economic integration. The Central American Common Market and the Latin American Free Trade Area are ample evidence that the idea of continentwide economic integration has become a reality—an effort that is essential both to create mass markets and to obtain greater cohesion needed for economic development, and to increase Latin America's negotiating power with industrial countries so that it may obtain better terms of trade for its exports. The creation of a hemispheric common market would be a logical next step to take for Latin America at this time.

There are no doubt a great many problems involved in the economic integration of an entire underdeveloped region. Nevertheless, the idea has attracted serious support from men of such stature as Paul Prebisch, former Executive Secretary, Economic Commission for Latin America, Felipe Herrera, President of the Inter-American Development Bank, William F. Clayton, former Undersecretary of State under Cordell Hull, and others.

The establishment at the recent São Paulo Conference of the Inter-American Committee on the Alliance for Progress—ICAP—as a focal point of the Alliance—and the creation of the Special Committee on Latin American Coordination—SCLAC—to coordinate the position of

the Latin American countries at the U.N. Conference on Trade and Development in March 1964—are developments of great importance to further the economic unity of Latin America. The Subcommittee on Inter-American Relationships of the Joint Economic Committee, of which I am a member, during its hearings in January 1964, will take a close look at what further steps may be taken to step up Latin American economic integration so that Congress and the public may be in a better position to give this effort constructive support.

A fifth and essential step is the provision of greater incentives to U.S. capital to reenter Latin America. One of the key assumptions made at the Punta del Este Conference in 1961, as heretofore noted, was that as an integral part of the assistance to be provided by the United States there would be a flow of \$300 million in new private capital to Latin America. While there was a net inflow of \$173 million in new capital from the United States in 1961, it dropped to zero in 1962 and 1963.

Our direct investments in Latin America remain close to \$8.5 billion, a very substantial sum—with Brazil and Venezuela accounting for about half of this investment. Plant and equipment expenditures there have also remained sizable—\$750 million in 1960, \$795 million in 1961 and \$840 million in 1962—indicating a determination by U.S. firms to weather the present storm and their faith in the future of the area.

American firms with long experience in Latin America are playing a creative and socially constructive role; companies such as Creole Petroleum, Sears, Roebuck & Co., Willys Overland, Kaiser Industries, Deltec Corp., International Basic Economy Corp., the Chase Manhattan Bank, and the Whirlpool Corp. have contributed much to increasing total production exports and tax revenue in Latin America.

The Senator from Minnesota [Mr. HUMPHREY] and I have been working hard for the past year on a major effort designed to demonstrate to businessmen and governments in Latin America, the United States and Western Europe the capacity of private enterprise to be imaginative, to understand the present social ferment in Latin America and to play a constructive role in the fulfillment of Latin American aspirations. The Atlantic Community Development Group for Latin America—ADELA—has completed its organizational phase and will be formally launched at a high level conference in Paris on January 10, 1964, as a \$40 million investment company, to provide concrete evidence that through well-conceived joint ventures, United States, European, and Japanese business in association with Latin American capital can make significant contributions to economic development while making a fair profit.

Nevertheless, to make the Alliance succeed, a large number of new firms and new capital must be attracted to Latin America. To accomplish this, effective incentives must be devised by our Government, including a tax credit for new investments—a proposal for a 30-per-

cent tax credit may be recommended to the Congress early next session by the Treasury; a substantial tax incentive to exporters; a broadened investment program organized along the lines of the highly successful Foreign Credit Insurance Association program—with private insurance firms administering the investment guarantee program backed by the AID; and a multinational investment treaty or code to protect private investment against expropriation without compensation or other types of discrimination.

An added factor will be the newly created high-level Advisory Committee on Private Enterprise in Foreign Aid, which was adopted as part of the Foreign Assistance Act of 1963. This Committee, in my opinion, will become a major source of new ideas on how private enterprise can cooperate with our Government in increasing the flow of new capital to the less developed countries we aid and making our foreign assistance program a more effective instrument of U.S. foreign policy.

And finally, it is essential that the Alliance for Progress should become a truly inter-American effort. I was therefore very gratified that an Inter-American Committee on the Alliance for Progress was created at the November meeting of the Inter-American Economic and Social Council at São Paulo. Unless the Alliance is transformed into a program in which all of the countries of the hemisphere take an equal part, it cannot succeed. It is of equal importance that the organization of our own Government for the implementation of our own Latin American policies and programs undergo a full review including existing lines of authority and responsibility. With political direction in the State Department, economic coordination under AID and with the operation of the varied program dispersed among more than half a dozen agencies, the result has been a decline in the effectiveness of the implementation of vital aspects of the Alliance.

The question that we must answer in the next few years is whether the United States is capable of understanding and dealing with the revolutionary situation in Latin America and of leading this upheaval into democratic channels, and giving the democratic approach ideological appeal. I believe we have the ideas, the power, and the resources to see through the storm to the clearer days ahead. The appointment of Ambassador Mann to be in charge of our Latin American policy is already a good augury of the intentions of this administration. Also, the recommendations I have made here will, I hope, have early consideration.

The following quotation from Szulc's "The Winds of Revolution" gives a good measure of the challenge and the prize confronting us:

Relations with a Latin America must be judged in the historical perspective of a great revolution with which, in the real meaning of history, the United States and the West must come to terms.

If this occurs, then communism may have to face the devastating truth that, after all, Marx and Lenin were not so infallible in

predicting a Socialist future for Latin America and the rest of the underdeveloped world.

Mr. President, the appointment of Ambassador Mann to be in charge of our Latin American program is critically important. We must have a highly efficient and single centered administration of the Alliance for Progress.

I have the greatest of friendship for and confidence in Ambassador Mann, and I shall give him all the backing he needs. I make these recommendations to him for his immediate consideration. If the Alliance is not to fail, and if we are not to see great sections of Latin America, where we stand in imminent danger, slip into the grip of communism and confound our policy all over the world, these recommendations should be considered with the utmost seriousness and should be put into effect at the earliest opportunity.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. GRUENING. I congratulate the Senator from New York for a thorough and sound presentation concerning the Alliance for Progress. I agree with the Senator that this is a program of major importance. Distinct from other parts of the world where we indulge in foreign aid, and where our task should be shared by other old world nations, this is an area of primary responsibility in the United States.

I share fully the Senator's comment that we should be selective. I have believed that for years. I have tried to present that view to the AID administrators, who to date have never accepted it. They seem to feel they must give indiscriminately to everybody. The result has been disastrous, because governments which have not tried to put their houses in order and have not tried to make the reforms essential to progress have found because of our attitude there was no need to do so.

Their poor example then reflects itself to other countries in which efforts are being made to put houses in order and to cooperate. The governments of those countries then say, in effect, "There is no need for our doing this, because you are not enforcing it everywhere."

If half of the 19 countries of Latin America are ready, politically and economically, to receive our financial aid and use it wisely, those are the places where we should make our maximum effort, meanwhile working with other countries to try to get them ready.

The "scattershot" arrangement is largely responsible for whatever failures have occurred. The responsibility is just as much ours in Washington as it is anyone else's.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JAVITS. I am grateful for the remarks of my colleague, the Senator from Alaska.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. I must leave the Chamber shortly, but I wished to let the Senator from New York know that I believe his speech to be a major contribution at this particular time to the Alliance for Progress program. I am hope-

ful that Ambassador Mann, who has been selected by the President for a new responsibility and an important assignment as Special Assistant to the President and as the Assistant Secretary of State for Inter-American Affairs, will read the Senator's speech carefully. I say this because I believe the Senator from New York has made some very constructive suggestions which will stand Ambassador Mann well in his efforts and in his program of reorganization.

I wish to associate myself with the text and the substance of the Senator's speech. I believe it is one of the truly great speeches made on this whole subject matter. The Senator is to be commended.

Mr. JAVITS. Mr. President, I am grateful to my colleague for his high praise. He knows I love him dearly. His remarks mean a great deal to me, as do those from the Senator from Alaska [Mr. GRUENING] and the Senator from Oregon [Mr. MORSE].

I express my thanks to my colleagues for their forbearance and cooperation in giving me this time. Mr. President, I withdraw my amendment, and yield back my remaining time.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The amendment is withdrawn.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 11, between lines 18 and 19, it is proposed to insert a new section as follows:

SEC. 119. Notwithstanding any other provision of this title, the total amount appropriated pursuant to this title (excluding re-appropriations of prior appropriations) shall not exceed \$3,000,000,000. The President is authorized and directed within thirty days after the enactment of this Act to determine and to certify to the Secretary of the Treasury and the Director of the Bureau of the Budget which of the appropriation items shall be reduced, and the amount that each shall be reduced, in order to effectuate the reduction made by this section. Each appropriation item specified by the President in his certification is hereby reduced by the amount of reduction specified by him with respect to such item in such certification; and the Secretary of the Treasury is authorized and directed to make the necessary entries on the books of the Treasury to reflect such reductions.

Mr. MORSE. Mr. President, on the amendment I ask for the yeas and nays. The yeas and nays were ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Is the language just read subject to a point of order? It is not that I intend to make a point of order, but I merely inquire.

The PRESIDING OFFICER. It is legislative in character, and would be subject to a point of order.

Mr. PASTORE. It would be subject to a point of order.

Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. PASTORE. Do I correctly understand that the purpose of the amend-

ment is to cut the amount to \$3 billion, plus the \$209 million?

Mr. MORSE. Yes. That would be a total of \$3.209 billion.

The amendment has another great advantage. I am satisfied that the President of the United States know that there is a need for reform in the foreign aid program. I am satisfied that the President knows that there are places where great savings can be made.

The amendment would grant great latitude to the President to bring about savings. There are really only 6 months left in the present fiscal year.

The amendment provides:

The President is authorized and directed within 30 days after the enactment of this act to determine and to certify to the Secretary of the Treasury and the Director of the Bureau of the Budget which of the appropriation items shall be reduced, and the amount that each shall be reduced, in order to effectuate the reduction made by this section.

The President could get together with the Secretary of State, with the Secretary of Defense, and with the Director of AID to decide how best to distribute the money to bring about the savings and reforms which I believe ought to be brought about.

The Senator from Rhode Island is quite correct. The language would be subject to a point of order, since its content is not covered, really, by either authorization bill. The amendment could be objected to on that ground.

I offer the amendment in this way, rather than segment by segment, which I shall do, if necessary.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. I repeat that I am unalterably opposed to the reduction to \$3 billion. Should the Senate choose to do that—and I hope it will not—but I have no objection to the language as such; therefore, I shall not raise a point of order. However, I want it clearly understood that I am opposed to the amendment.

Mr. MORSE. Mr. President, there is not much that needs to be said in support of my amendment. It speaks for itself. The amount involved is \$3,209 million, because although the amendment would limit the new money to \$3 billion, \$209 million of unexpended funds would be reappropriated under the proposed legislation.

I believe that is a sufficient amount. It would allow a reasonable bracket for compromise with the House.

I believe the amount proposed by the Senate committee is too large. I would lead to serious trouble in the conference, because I do not believe the House conferees would split the melon as between the \$2.8 billion plus the unexpended funds and the Senate committee figure of \$3.5 billion plus the unexpended funds.

I believe the Senate committee figure is unrealistic to take to conference. I believe I am offering a workable bracket for negotiations in conference, which would make it possible to dispose of this item quickly in the conference. I have reason to believe that if the Senate figure

is left at its present size, the conference will not dispose of this matter quickly.

Second, this gives to the President an opportunity to keep faith with his own announcements to the American people that he seeks economy and efficiency in Government.

He has been asking the various departments, as far as our domestic budgets are concerned, to proceed to re-evaluate them from the standpoint of economic savings. I am giving him the opportunity, as chief of our foreign policy, to do it in connection with the foreign aid bill.

This, I think, is a fair, reasonable compromise. It does not end with \$3 billion. It ends, so far as new money is concerned, with \$3 billion plus \$209 million of unexpended funds, making a total of \$3.209 billion.

Mr. PASTORE. Mr. President, the objective of the amendment is to reduce the amount reported by the committee, a figure of \$3.3 billion, which has been fortified by the various votes had not only last night, but this morning and the early part of the afternoon. This proposal would more or less restore the House figure.

The Senate has already more or less firmly indicated its will on the matter, but the Senator from Oregon has a perfect right to propose the amendment. I hope the Senate will reject the amendment.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. MILLER. The Senator from Oregon knows I have supported some of his amendments, but it seems to me the one objectionable feature of the amendment is that the Senator is, in effect, proposing to delegate to the executive branch a function which belongs in the legislative branch of the Government. I am most reluctant to see Congress delegate any of its responsibilities to the executive branch. I think we have done too much of it.

While the intention of the amendment may be meritorious, this is one objectionable feature which I could not accept. So I regret that I cannot support the amendment.

Mr. PASTORE. Mr. President, I am ready to yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment offered by the Senator from Oregon. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr.

LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from California would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 31, nays 55, as follows:

[No. 278 Leg.]

YEAS—31

Anderson	Gruening	Russell
Beall	Hruska	Stennis
Bennett	Johnston	Symington
Blble	Jordan, N.C.	Talmadge
Byrd, Va.	Long, La.	Thurmond
Cannon	Mechem	Williams, Del.
Cotton	Morse	Yarborough
Curtis	Mundt	Young, N. Dak.
Ellender	Proxmire	Young, Ohio
Ervin	Randolph	
Goldwater	Robertson	

NAYS—55

Alken	Hayden	Metcalf
Bartlett	Hickenlooper	Miller
Bayh	Holland	Monroney
Boggs	Humphrey	Morton
Brewster	Inouye	Moss
Burdick	Jackson	Muskie
Byrd, W. Va.	Javits	Nelson
Case	Jordan, Idaho	Neuberger
Church	Keating	Pastore
Clark	Kennedy	Pell
Cooper	Kuchel	Prouty
Dirksen	Lausche	Ribicoff
Dodd	Mansfield	Saltonstall
Douglas	McCarthy	Smathers
Edmondson	McClellan	Smith
Fong	McGee	Sparkman
Fulbright	McGovern	Williams, N.J.
Hart	McIntyre	
Hartke	McNamara	

NOT VOTING—14

Allott	Gore	Scott
Carlson	Hill	Simpson
Dominick	Long, Mo.	Tower
Eastland	Magnuson	Walters
Engle	Pearson	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, if I may have the attention of Senators, I should like to say at this juncture that there is one more amendment to be offered by the Senator from Oregon [Mr. MORSE]. Then a point of order will be raised by the distinguished Senator from Delaware. Following that, the so-called wheat amendment, to be offered by the Senator from South Dakota [Mr. MUNDT] will be considered. I believe that will more or less wind up our discussion. If Senators will remain in the Chamber, we shall be able to dispose of the bill expeditiously.

Mr. MORSE. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 9, it is proposed to strike out the numeral and to insert in lieu thereof the figure "\$50,000,000."

Mr. MORSE. Mr. President, I yield myself 5 minutes. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I shall not take my full 15 minutes on the amendment.

Mr. PASTORE. If the Senator will yield, I shall be glad to take his amendment to conference.

Mr. MORSE. I should like to read only two sentences in explanation of the bill, so that it will be in the RECORD.

Mr. PASTORE. As I understand, the House figure was \$50 million. I will accept the amendment.

Mr. MORSE. Mr. President, this amendment reduces funds for administrative expenses of AID to the figure provided by the House, \$50 million. However, the \$50 million is only in new money; there is \$2 million more in unexpended balances that is reappropriated elsewhere in the bill.

As a result, when the committee report says it is only providing what is authorized in the authorizing legislation, it is omitting mention of the additional \$2 million that is reappropriated.

When the Senate passed the authorizing legislation, it allowed \$52 million for this purpose, and that is what would be available if my amendment is adopted. Otherwise, \$56 million will be available.

Mr. PASTORE. Mr. President, I consider this to be a reasonable amendment. I shall be very happy if the Senate agrees with me that it should be accepted.

Mr. MORSE. I thank the Senator from Rhode Island very much.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the yeas and nays on the amendment be rescinded.

Mr. MORSE. I join in that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on page 19, line 11, it is proposed to strike out down to and including line 10 on page 20, as follows:

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous Items

For an additional amount for "Miscellaneous items", \$925,000.

Reporting Hearings

For an additional amount for "Reporting hearings", \$48,000.

Special and Select Committees

For an additional amount for "Special and select committees", \$665,500.

Telegraph and Telephone

For an additional amount for "Telegraph and telephone", \$515,000.

Stationery (Revolving Fund)

For an additional amount for "Stationery (revolving fund)", to remain available until expended: first session of the Eighty-eighth Congress, \$261,600; second session of the Eighty-eighth Congress, \$261,600.

Postage Stamps

For an additional amount for "Postage stamps", to remain available until expended: first session of the Eighty-eighth Congress, \$45,710; second session of the Eighty-eighth Congress, \$45,710.

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the amendment is to strike from the bill that portion of the suggested appropriation which has nothing whatever to do with the foreign aid program. The Senate is supposed to be acting today on a foreign aid program. Yet we find in the bill many items for increasing allowances for Members of both the House and the Senate.

This amendment deals only with the contingent expenses as approved for the House. The contingent expenses which have been approved by the Senate are subject to a point of order in that they are legislation, and the point of order will definitely be made following the action on this particular amendment. That would then put the bill in a position so that if this amendment should be agreed to, and the point of order sustained—and I have been advised that the language constitutes legislation on an appropriation bill—we would have deleted from the bill all references to increased allowances for Members of Congress. Those items if found to be necessary can be included in a supplemental appropriation bill.

I see no reason why, under the guise of enacting a foreign aid appropriation, we should increase allowances for various Members of Congress.

For example, unless the amendment is adopted we shall be approving \$261,600 or an additional stationery allowance of \$600 each, for Members of the House and the Senate for the first session of the 88th Congress. We are all hopeful that this session will end either tomorrow night or, at the latest, Saturday night. Why does the House need \$261,600 additional stationery allowance for

the remaining 2 days of this session of Congress?

By the same token, I shall make a point of order to strike a similar provision as it applies to the Senate.

The second session of the 88th Congress will begin next month. The bill would provide an additional \$261,600, or \$600 extra, for each Member next year. If it is needed next year why not wait until next year and then deal with it in a regular appropriation bill? But let us not try to get it now under the guise of an appropriation for foreign aid. Actually, this is nothing more than a Christmas bonus for Members of Congress.

The bill provides for an additional amount of \$45,710 for postage stamps for Members of Congress during the remainder of the 1st session of the 88th Congress. Why is it necessary to provide \$45,710 to buy postage stamps for the remaining 2 days of this session of Congress? We are almost at the end of the session. One cannot retroactively put a postage stamp on a letter. So what is proposed is to provide additional postage for letters that will be sent out in the next 2 days. There can be no possible justification for that item.

If these items are needed in the next session of Congress, let them be presented in a routine manner and be included in the normal appropriation bills.

My amendment would strike out all such items and also strike out the \$925,000 of "miscellaneous items," as to which apparently neither House has as yet decided how it will be spent.

Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. I shall not delay the Senate longer. I hope this amendment will be adopted. Following the action on the amendment, I shall make a point of order with respect to the additional contingency expenses provided for the Senate. That would then restore the bill to a foreign aid appropriation bill, as it is designated in the title and as it should be.

I repeat—there can be no justification for including these additional allowances for Members of Congress in a foreign aid program.

How can a \$261,600 additional stationery allowance, a \$45,710 additional postage stamp allowance, and an allowance of \$925,000 for "miscellaneous" items be used in the last 1 or 2 days of this session of Congress? These items, totaling \$3,239,780 extra benefits for Congress should be stricken. I hope the amendment will be approved.

Mr. PASTORE. Mr. President, it is a pity that the proposer of this amendment, the distinguished Senator from Delaware, does not happen to be in charge of the bill. If he were, he would realize and appreciate the awkward position in which the Senator from Rhode Island finds himself because of the amendment.

The Senate Committee on Appropriations had nothing to do with these items. They were included in the bill by the House.

It is true that certain items are those ordinarily included in the legislative ap-

propriation bill; but the House in its wisdom saw fit to include them in this particular bill. If Senators wish to repudiate the House at this juncture, it is their responsibility; I will have nothing else to say, other than that I believe it would be very embarrassing, our job would become more tedious, and the chances are that if the amendment is sustained the fate of the bill would more likely accommodate those who are opposed to our measure.

Mr. CLARK. Mr. President, will the Senator from Rhode Island yield 5 minutes to me?

Mr. PASTORE. I yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. I hesitate to speak about this matter, but I shall not detain the Senate long. There is much more to this story than so far appears. Senators are in what seems to be the following absurd position: Telegraph allowances for every Senator are regulated by the Committee on Rules and Administration. I believe the telegraph allowances to be entirely adequate; at least, I returned \$2,000 from my telegraph allowance last year.

The telephone allowances are under the jurisdiction of the Committee on Appropriations. In my judgment, telephone allowances are entirely inadequate. For example, last year, as a Senator from a large State, I paid out of my own pocket more than \$2,000 for excess telephone calls. To be sure, I could deduct that amount as a business expense on my income tax; but that means, without revealing any confidences as to what bracket I am in, that a very substantial amount of that telephone payment still comes out of my pocket. Perhaps some will say, "He can afford it." That is all right. But perhaps others cannot.

It seems to me it is really an absurdity to have this administrative gobbledygook monstrosity, under which telephone expenses are regulated by the Committee on Appropriations and telegraph expenses by the Committee on Rules and Administration. I do not even know what committee has jurisdiction of the stationery allowances. Nevertheless, we cannot get the members of the staffs of those committees or the Senators themselves sufficiently interested in the plight of a Senator from a large State who must keep in constant touch with his constituents, especially if his State happens to be a doubtful State. Year after year, he pays this money out of his own pocket.

I pay public tribute to Senators from the smaller States who, year after year, as a result of my own staff importuning them, have been willing to give me support by making available some of their stationery allowance. I could not get along on my stationery allowance, but Senators from small States, who do not need all of theirs, make some of it available to me.

But last Sunday, *mirabile dictu*, the items to provide additional sums appeared in the bill, so perhaps this will clear up the situation and I will not have to pay any more money for my telephone calls or on my stationery account.

This is a situation that confronts every Member of this body who represents a

large State. I do not know about the situation with respect to Senators who come from some of the other States.

I understand the position of the Senator from Delaware. I can well understand the embarrassing position in which the Senator from Rhode Island finds himself. But I hope this provision will not be eliminated from the bill.

Mr. PASTORE. Mr. President, I yield the Senator from Oklahoma 5 minutes.

Mr. MONRONEY. Mr. President, we would be embarking on a program that would wreak havoc on the already rather strained relations between the two bodies. They are held together by goodwill and by tradition extending over more than 175 years, in which the Members of each House have independently assumed the responsibility of being moral, ethical, and conscientious public servants.

When the other body appropriates funds for its own operation, knowing that its Members must run for office every 2 years, and each of them represents a rather small electorate, of some 500,000 people, it is they who must be held to blame or to be held blameless for the money they spend.

This would strike at other items in addition to the two items the distinguished Senator from Delaware has mentioned—the stationery fund and the postage stamp item. It affects the holding of hearings in the House of Representatives and \$48,000 in that connection; also the additional amount of \$65,500 for special and select committees—evidently for staff salaries; also the additional fund of \$515,000 for telephone and telegraph, as well as the other items the Senator from Delaware has mentioned.

I do not see how we can expect to audit these accounts without expecting the House to take whatever discretionary attitude it might choose to take in regard to cutting down the funds for the Senate's Special and Select Committees and other items which the Senate has always felt justified in voting for itself.

In fact, when the legislative appropriation bill is dealt with, the House—recognizing the comity which traditionally exists between the two bodies—does not make the slightest change in the items for the Senate.

So, although we can embark on this proposal to eliminate these funds from the bill, if that were to be done, such action would rise to haunt us again and again.

Instead of having the Senate seek to hold the Members of the other body accountable for their expenditures for stationery and postage, the 435 Members of the other body can be held accountable by their constituents, at the forthcoming election. That is the preferable course, rather than for the Senate to attempt to decide what the other body shall spend. I am sure the Senate does not wish to do that.

Mr. ANDERSON. Mr. President, will the Senator from Rhode Island yield 1 minute to me?

Mr. PASTORE. I yield 1 minute to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. ANDERSON. Mr. President, we have already considered the "junk mail" item and the other items; and I believe it best for now to vote down the amendment of the Senator from Delaware, and thus permit the conferees to have an opportunity to prepare their report.

Mr. MILLER. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. PASTORE. I yield.

Mr. MILLER. Suppose the amendment is rejected, and suppose a point of order then is made—as the Senator from Delaware has indicated he will—with respect to the items on pages 17 and 18. In that event, will the House have its stationery and postage funds, but the Senate will not?

Mr. PASTORE. No, because of this reasoning and this has been my position. Our amendment is to the House amendment, and therefore, is not subject to a point of order.

So far as the postage item is concerned, I shall move to delete it from the bill, because we acted on it yesterday in connection with the legislative appropriation bill. So it is not necessary for it to be included in this bill, for then there would be a duplication.

I repeat that my position is that our amendment is to the House amendment, and therefore is very much in order and is germane.

Mr. MILLER. Did the Senator from Rhode Island say he is proposing to delete the postage stamp item on page 18?

Mr. PASTORE. That is correct.

Mr. MILLER. What about the item for the House, on page 20?

Mr. PASTORE. That item has never been voted on, for I do not think it was in the legislative appropriation bill conference report. I am told it was not in it.

The only reason why I shall move the deletion of the item for the Senate's postage account is that we have already voted for it, and there is no need to do so again.

Mr. MILLER. Then is it necessary to include the item on page 20?

Mr. PASTORE. Yes, because the House has not yet acted on that item. But, in regard to the Senate item, this would be the second bite at the cherry.

I repeat that the House item has not yet been decided on, but the Senate item for postage has been decided on, and there is no need to do so again.

Mr. WILLIAMS of Delaware. Mr. President, how much time remains available?

The PRESIDING OFFICER. The Senator from Delaware has 10 minutes remaining under his control.

Mr. WILLIAMS of Delaware. I shall not need all that time.

Let me remind the Senate that yesterday we took final action on the legislative appropriation bill. The appropriation items pertaining to the legislative branch had been passed on by the Appropriations Committees of the two bodies and by both the House and the Senate, and in our opinion yesterday that appropriation provided ample funds to enable the Members of Congress to operate their offices.

The \$3,239,780 proposed here today would be an additional allowance, over and above the appropriation item on which the Senate voted yesterday. Why is the additional \$261,600 stationery allowance needed for the remaining 2 days of the session? At the most, there remain only Friday and Saturday.

I propose to strike this item from the bill, following which a point of order would strike out all reference to such increases for the Senate.

I respect the need for comity between the two Houses. However, we must also respect the need for comity between the Congress and the taxpayers. I doubt very much that they would approve of such a Christmas bonus for Congress. This item has no proper place in the foreign aid appropriation bill. Should it remain in the bill, then let us not attempt to kid the American people into believing that we are dealing only with a foreign aid appropriation bill.

I am opposed to a Christmas bonus for the Members of Congress.

Mr. President, I am ready to yield back the remainder of the time if the Senator from Rhode Island will do likewise.

Mr. PASTORE. Mr. President, I am ready to yield back the remainder of the time under my control.

Mr. MILLER. Mr. President, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The time is under control.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. MILLER. Mr. President, my parliamentary inquiry is as follows: I believe we should have a ruling from the Chair in regard to the point raised by the Senator from Rhode Island—namely, that the Senate committee's language at the bottom of page 17 and on page 18 constitutes an amendment to the text voted by the House, and is in order.

Mr. PASTORE. Mr. President, I submit that statement by the Senator from Iowa is not timely.

The PRESIDING OFFICER. The Chair rules that a point of order has not been raised by the Senator from Iowa, and that the matter to which he has referred is not before the Senate, and that the Chair cannot rule upon it.

Mr. PASTORE. Mr. President, I yield back the remainder of the time under my control.

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Delaware.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr.

HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 23, nays 62, as follows:

[No. 279 Leg.]

YEAS—23

Aiken	Ellender	Morse
Boggs	Goldwater	Morton
Byrd, Va.	Hickenlooper	Mundt
Case	Hruska	Prouty
Cooper	Jordan, Idaho	Smith
Cotton	Lausche	Thurmond
Curtis	Mechem	Williams, Del.
Dirksen	Miller	

NAYS—62

Anderson	Hayden	Muskie
Bartlett	Holland	Nelson
Bayh	Humphrey	Neuberger
Beall	Inouye	Pastore
Bennett	Jackson	Pell
Bible	Javits	Proxmire
Brewster	Johnston	Randolph
Burdick	Jordan, N.C.	Ribicoff
Byrd, W. Va.	Keating	Robertson
Cannon	Kennedy	Russell
Church	Kuchel	Saltonstall
Clark	Long, La.	Smathers
Dodd	Mansfield	Sparkman
Douglas	McCarthy	Stennis
Edmondson	McClellan	Symington
Ervin	McGee	Talmadge
Fong	McIntyre	Williams, N.J.
Fulbright	McNamara	Yarborough
Gruening	Metcalf	Young, N. Dak.
Hart	Monroney	Young, Ohio
Hartke	Moss	

NOT VOTING—15

Allott	Gore	Pearson
Carlson	Hill	Scott
Dominick	Long, Mo.	Simpson
Eastland	Magnuson	Tower
Engle	McGovern	Walters

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President—

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. PASTORE. Mr. President, may we have order. This is very important.

The PRESIDING OFFICER. The Senate will be in order. The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, rule XVI of Senate Rules, paragraph 2, provides:

2. The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation or any such restriction, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

In that connection, I make the point of order that the language appearing in the appropriation bill, on page 18, beginning with line 1 and extending through line 24—all three of the items—constitutes legislation on an appropriation bill.

Earlier the Senator from Rhode Island mentioned the fact that in his opinion—and I respect his opinion—this language is merely an amendment to the House language. I call particular attention to lines 4 through 7 on this page. Senators will find that this language does not amend any House language but under the terms of the bill, would amend Public Law 479 of the 79th Congress, as amended.

This language would be an amendment of the law, not an amendment of any language in the House bill. I find no language similar to that in the House bill.

I make the point of order that the language constitutes legislation, and therefore should be stricken from the bill.

Mr. PASTORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware make a point of order?

Mr. WILLIAMS of Delaware. I make the point of order.

Mr. PASTORE. Mr. President, I believe the point of order is not well taken. The bill came to the Senate with "Title IV, Legislative Branch," enumerating certain items under the legislative category. All we did was to amend the bill by adding other legislative matters to it, matters which are germane and which are pertinent.

I submit that the language is in perfect order.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. RUSSELL. I do not know about the allocation of time. I should like to have 4 or 5 minutes on this question, if there is an allocation of time.

Mr. PASTORE. I yield whatever time the Senator desires from the time on the bill.

Mr. WILLIAMS of Delaware. I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, this happens to be a matter with respect to which I have had considerable experience.

Rule XVI is one of the most important rules of the Senate. It was enacted in an effort to protect the jurisdiction of the legislative committees of the Senate. However, it does not extend to denying the Senate the right to amend legislative language which comes to the Senate in a bill from the House of Representatives.

Legislative provisions in an appropriation bill which come to the Senate from the House of Representatives are not subject to a point of order. They are a part of the bill. If the House legislates in any degree in an appropriation bill, the Senate is entitled to amend the House language, so long as the amendment is germane.

I point out that this is very clearly stated on page 73 of Senate Procedure. It is stated in succinct language. It happens to be in language I used when the same question arose in 1943:

If the House of Representatives opens the door by incorporating legislation in a general appropriation bill, the Senate has an inherent right to amend such proposed legislation, and to perfect that language, notwithstanding its rules.

The "rules" in this connection can only apply to rule XVI of the Senate.

Mr. President, this question had arisen before the Senate previously, but the first time I was involved in it was in 1943, during consideration of an agricultural appropriation bill. The House had inserted a very small legislative provision. It could have been nothing more than is contained in this bill. The words "to remain available until expended" have been held to be legislation. They have been so held by Cannon's Procedure of the House of Representatives.

The Senate Subcommittee on Agriculture Department Appropriations broadened the scope of the language. When the matter came to the Senate, the late Senator from Missouri, Mr. Clark, made a point of order against the language.

I took the position then, which was sustained by the Senate on an appeal, that when the House opened the door to legislation, the Senate had a right to perfect that legislation or to amend it so long as the amendment was germane.

A similar question arose in 1949, and it was debated at some length in the Senate.

Mr. President, so that I shall not have to repeat all of the argument at this time, I ask unanimous consent to have printed in the RECORD the argument I made in 1949, when my position was sustained by the Senate.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. RUSSELL. Mr. President, I speak with some trepidation after the arguments made by the distinguished Senator from Texas, Mr. Connally, and the distinguished junior Senator from Florida. I would not speak on this occasion were it not for the precedents involved in this matter and my familiarity with them.

This is no new question in the Senate, Mr. President. It has been before this body on numerous other occasions. I happen to recall that in 1943 there was pending before the Senate the agricultural appropriation bill. As the chairman of the Subcommittee on Agricultural Appropriations, I was entrusted with the responsibility of handling that bill on the floor. I have just glanced briefly through the record of the debate which then took place and of the points of order which were made at that time, and the parallel between the two cases is very striking. The Senator from Ohio, Mr. Taft, has not changed his mind. He made exactly the same argument in 1943 that he has made upon the floor of the Senate today with respect to legislation on an appropriation bill.

The Senate on that occasion sustained the ruling of the Chair by a vote of 54 to 23, after discussion of the rules which covered 1 whole day's time.

Mr. President, with all due deference to those who have spoken on subdivision 4 of rule XVI, it very clearly covers two separate and distinct situations. The first sentence of the rule, which the Senator from Texas emphasized so eloquently, and with such force, provides that, "no amendment which proposes general legislation shall be received to any general appropriation bill." That language is tied in with the argument that was made by the Senator from Illinois about the two-thirds rule. If a general appropriation bill comes before this body with no legislation in it, any amendment offered that contains any legislation falls under the inhibitions of the first sentence of subdivision 4 of rule XVI. It is subject to a point of order. The Chair would sustain it.

The only way the Senate can possibly consider it is on a motion to suspend the rule, which requires a two-thirds vote, that is, if legislative matters are offered de novo in the Senate of the United States. But if legislation be found in the bill which comes to the Senate from the House of Representatives, the first line of the rule, relating to general legislation and making it subject to a ruling of the Chair which would strike it down, and therefore require the operation of the two-thirds rule, does not apply. If there is legislation in the bill as it comes from the House, then the sole question that confronts the Senate of the United States when an effort is made to amend the House provision is, first: "Has the House legislated in this bill?" Second: "Is the amendment which is offered in the Senate germane to the House legislative provision?"

Mr. President, no one would contend that the House has not legislated in this bill, not merely in small degree; but the House of Representatives sent this bill to the Senate shot through and through with legislative provisions. As a matter of fact, the greater part of the bill is purely legislative. It comes to us in that condition.

Now what are the Senate's rights in the matter? Can we not even off any legislative amendment to the bill?

Mr. RUSSELL. Of course, Mr. President, the question of germaneness is something which every Senator must pass upon for himself, subject to the dictates of his own wisdom and his own conscience.

In my judgment, this amendment is germane because there are in the bill as passed by the House two legislative provisions which directly affect and control the expenditure of this part of the appropriation. The Senate provision likewise would in-

fluence and control the expenditure of this part.

If I may continue for a few moments, let me say there are some Members of the Senate who still recall the services of the former distinguished Senator La Follette, of Wisconsin. In my judgment, a finer parliamentarian than the distinguished Senator La Follette never served in this body.

When this identical issue was previously before the Senate, as appears on page 5546 of the CONGRESSIONAL RECORD of June 9, 1943, Senator La Follette discussed this matter at some length. After urging the Senators to dissociate themselves from the mere merits of the amendment involved, and to make their decision on the appeal from the decision of the Chair on the parliamentary situation which was presented to the Senate, he said:

"The issue at stake is the question of whether or not the Senate shall maintain its unbroken precedents holding that it has the right to explore any field of general legislation which the House of Representatives may have entered. That, Mr. President, is a vital question; it is a question of great, extreme importance as affecting the power of the Senate."

Senator La Follette argued the matter at some length, saying that where the House of Representatives had legislated the Senate had the power to invade that field. He did not say the Senate had to work the exact row that was hoed by the House of Representatives, but he said the Senate had the power to invade the entire field.

Mr. President, the House of Representatives has dealt with two matters which vitally affect the expenditure of these funds; and I insist that under the rules the Senate has a right to deal with the expenditure of the funds, and that the decision of the Senate in declaring the amendment to be germane should be adhered to.

Of course, Mr. President, the question of the decision as to the germaneness of this amendment to legislation already in the bill places the distinguished President of the Senate in a position where the only ruling he could possibly make, as he has properly done, was to the effect that the question of whether it is legislation has now nothing to do with it.

The question was never raised, or was never seriously argued, that the House did not legislate in the bill. That is generally conceded. That led to one issue in regard to the amendment, as to whether it was germane. I may say to the distinguished Vice President, it so happens that in 1943 almost the same issue arose as to whether the proponents of an amendment could insist that it was germane to a provision of the House bill, and the parliamentary rulings and the discussion of the subject cover some 40 or 50 pages of the CONGRESSIONAL RECORD.

We should, Mr. President, as was said by the Senator from Wisconsin on that occasion, forget our personal prejudices and vote in conformity with the precedents of the Senate, and vote to sustain the right of the Senate as a coequal body in our scheme of government to deal with these matters to the same degree the House has dealt with them.

Mr. RUSSELL. The question arose again in 1951. The Senate made the same decision. Any other decision would put the Senate in an absolutely untenable position.

It does not require any knowledge of parliamentary law or of any other kind of law to know that if the Senate is a coequal body, if the House includes provisions in a bill in a manner which affects the people of this country or either of these bodies, the Senate cannot be denied

an equal right. Yet we restrict ourselves to a very narrow limitation. Under Rule XVI Senators cannot offer legislation on an appropriation bill if there is no legislation in the bill.

If this bill had not come to us with legislation included in it by the House, these amendments would not be in order, but since the House did include such provisions in the bill, the Senate amendments are in order.

How ridiculous can we make ourselves?

If the Senator from Delaware were correct and had directed his point of order against all of the provisions of the bill which are directly involved in the parliamentary question before the Senate—although he was human enough not to do so—this would be the situation—the House had included in the bill legislation providing for payments to three widows of Representatives in Congress who have departed this earth while this Congress was in session. Yet the Senator from Delaware would hold that the Senate is denied the right to provide for the widow of the late lamented Senator Kefauver of Tennessee in this same bill.

In effect, the Senate would be holding that, parliamentarily, the Senate does not have such a right, if it sustains the point of order made by the Senator from Delaware.

Mr. President, I only wish to say that this question has been before the Senate time and again. The point of order would be good if there were no legislation in the bill. When the bill comes to the Senate with legislation the Senate, as a coequal body, has a right to treat the same question of legislation.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Georgia have expired.

Mr. PASTORE. Mr. President, I yield an additional 2 minutes to the Senator from Georgia.

Mr. RUSSELL. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I point out, to confirm what the Senator from Georgia has said, that the House put in contingent expenses of the House. The committee added contingent expenses of the Senate. The Senator from Delaware called attention to the fact that Public Law 479, as amended, was involved.

The question is one of germaneness. I invite attention to the fact that the contingent expenses of the House are in the bill. What the committee added are the contingent expenses of the Senate, and certainly those are germane.

Mr. RUSSELL. Of course they are germane. If the House is to provide itself additional stationery funds it cannot be said it is not germane for the Senate to provide stationery funds for the Senate.

It may be that Senators would like to vote against the amendment. Senators have that right.

Certainly, from a parliamentary standpoint, when the House of Representatives sends legislation to the Senate, our rules do not deny the Senate the right, so long as the amendment is germane, to deal with legislation in that field.

The PRESIDING OFFICER. Does the Senator from Georgia raise the question of germaneness?

Mr. RUSSELL. Mr. President, I am glad to do that. I submit that this language is germane to the legislative provision of the House, and I believe it could not be construed any other way.

The PRESIDING OFFICER. The question having been raised, the Chair reads from page 72 of Senate Procedure:

Under rule XVI, the germaneness of amendments is required in the case of general appropriation bills, and all questions of germaneness or relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate.

The question then arises on whether or not the amendment is germane, and I submit the question to the Senate for decision.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays.

Mr. PASTORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on whether or not the amendment is germane. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Senators are about to vote on the question of germaneness. A "yea" vote means that a Senator thinks the amendment is germane. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to

attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 78, nays 5, as follows:

[No. 280 Leg.]

YEAS—78

Anderson	Hartke	Morse
Bartlett	Hayden	Moss
Bayh	Hickenlooper	Mundt
Beall	Holland	Muskle
Bennett	Hruska	Nelson
Bible	Humphrey	Neuberger
Boggs	Inouye	Pastore
Brewster	Jackson	Pell
Burdick	Javits	Prouty
Byrd, Va.	Johnston	Proxmire
Byrd, W. Va.	Jordan, Idaho	Randolph
Cannon	Keating	Ribicoff
Case	Kennedy	Robertson
Church	Kuchel	Russell
Clark	Lausche	Saltonstall
Cotton	Long, La.	Smathers
Dirksen	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McClellan	Stennis
Edmondson	McGee	Symington
Ervin	McGovern	Talmadge
Fong	McIntyre	Thurmond
Fulbright	McNamara	Williams, N.J.
Goldwater	Metcalf	Yarborough
Gruening	Miller	Young, N. Dak.
Hart	Monroney	Young, Ohio

NAYS—5

Alken	Curtis	Williams, Del.
Cooper	Mechem	

NOT VOTING—17

Allott	Gore	Pearson
Carlson	Hill	Scott
Domlnick	Jordan, N.C.	Simpson
Eastland	Long, Mo.	Tower
Ellender	Magnuson	Walters
Engle	Morton	

So. Mr. RUSSELL's point that the amendment was germane was sustained.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the point of germaneness was sustained.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, for the reasons I have already stated to the Senate, that the postage item in the Senate part of the legislative title of the pending bill is now redundant, because we acted on it yesterday, I offer an amendment to delete from the bill the language beginning on page 18, line 12, down to and including line 18.

The amendment is to strike out the following language:

Postage stamps

For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, \$6,060: *Provided*, That the maximum allowance per capita of \$550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to \$610 for the fiscal year 1964 and thereafter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, will the Senator yield me 1 minute?

Mr. PASTORE. I yield 1 minute to the Senator from Virginia.

Mr. ROBERTSON. I am glad the Senator offered his amendment, because otherwise I would be in a very embarrassing position. I did not approve of increasing our own allowances. The first vote was on the issue: Shall the House have the exclusive right to fix its allowances for office expenses? I voted that it did.

The next issue was on the question of germaneness. As clearly pointed out by the Senator from Georgia [Mr. RUSSELL], the House had legislated on its office expenses, and we could do the same, and expand it. The House had provided benefits for three widows. Certainly that was germane. If that action was germane, the Senate had the right to do the same thing for widows in the Senate. That also would be germane. Therefore, I voted that it was germane.

However, Mr. President, I did not want to go on record as voting to increase my own allowances.

Mr. WILLIAMS of Delaware. Mr. President, the past two votes have been partly influenced by the parliamentary situation. I understand the reasoning of Senators on the question of germaneness. However, in order that there may be a clear-cut vote on the issue of whether we wish to add \$3,239,000 in benefits to Members of the House of Representatives and Members of the Senate, I offer another amendment and ask for a vote on them.

I will yield back the remainder of my time after stating that the amendment would merely strike from the bill all additional allowances for offices of Members of the Senate and additional allowances for offices of Members of the House.

The amendment puts all of us in the same category. This will be a straight vote on whether we want to appropriate under a foreign aid appropriation an additional \$3,239,000 for our own allowances and for allowances in the House. This has nothing to do with the allowances for widows of either Members of the House or the Senate; nor did any of the preceding votes have anything to do with their payments.

This amendment should be approved, first, on its own merits. There can be no justification for granting Members of Congress these additional allowances.

Second, this is a foreign aid appropriation act. By what line of reasonableness can Members of Congress qualify for foreign aid—even though some do spend considerable time out of the country.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. Beginning on page 17, line 23, it is proposed to strike out all the language down to and including line 24 on page 18; also, it is proposed to strike out all the language beginning on page 19, line 11, down to and including line 15 on page 20; as follows:

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous items

For an additional amount for "Miscellaneous items", fiscal year 1963, \$190,000.

Miscellaneous items

For an additional amount for "Miscellaneous items", \$215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

Postage stamps

For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, \$6,060: *Provided*, That the maximum allowance per capita of \$550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to \$610 for the fiscal year 1964 and thereafter.

Stationery (revolving fund)

For an additional amount for stationery, \$60,600: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum.

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous items

For an additional amount for "Miscellaneous items", \$925,000.

Reporting hearings

For an additional amount for "Reporting hearings", \$48,000.

Special and select committees

For an additional amount for "Special and select committees", \$665,500.

Telegraph and telephone

For an additional amount for "Telegraph and telephone", \$515,000.

Stationery (revolving fund)

For an additional amount for "Stationery (revolving fund)", to remain available until expended: first session of the Eighty-eighth Congress, \$261,600; second session of the Eighty-eighth Congress, \$261,600.

Postage stamps

For an additional amount for "Postage stamps", to remain available until expended: first session of the Eighty-eighth Congress, \$45,710; second session of the Eighty-eighth Congress, \$45,710.

JOINT ITEMS

Education of pages

For an additional amount for "Education of pages", \$2,655, which amount shall be advanced and credited to the applicable appropriation of the District of Columbia.

The PRESIDING OFFICER. Does the Senator wish to have his amendments considered en bloc?

Mr. WILLIAMS of Delaware. Yes.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. PASTORE. Mr. President, I ask for the yeas and nays. I urge the Senate to defeat the amendments. There is nothing further to be said.

The yeas and nays were ordered.

Mr. PASTORE. I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from Delaware [Mr. WILLIAMS]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "nay."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senator from Colorado [Mr. ALLOTT], and the Senator from Kansas [Mr. PEARSON] would each vote "yea."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 25, nays 58, as follows:

[No. 281 Leg.]

YEAS—25

Boggs	Fulbright	Mundt
Byrd, Va.	Goldwater	Neuberger
Case	Hruska	Proxmire
Cooper	Jordan, Idaho	Robertson
Cotton	Keating	Smith
Curtis	Long, La.	Thurmond
Dirksen	McClellan	Williams, Del.
Douglas	Mechem	
Ellender	Miller	

NAYS—58

Aiken	Hickenlooper	Muskie
Anderson	Holland	Nelson
Bartlett	Humphrey	Pastore
Bayh	Inouye	Pell
Beall	Jackson	Prouty
Bennett	Javits	Randolph
Bible	Johnston	Ribicoff
Brewster	Jordan, N.C.	Russell
Burdick	Kennedy	Saltonstall
Byrd, W. Va.	Kuchel	Smathers
Cannon	Mansfield	Sparkman
Church	McCarthy	Stennis
Clark	McGee	Symington
Dodd	McGovern	Talmadge
Edmondson	McIntyre	Williams, N.J.
Ervin	McNamara	Yarborough
Fong	Metcalf	Young, N. Dak.
Gruening	Monroney	Young, Ohio
Hart	Morse	
Hartke	Moss	

NOT VOTING—17

Allott	Hayden	Pearson
Carlson	Hill	Scott
Eastland	Lausche	Simpson
Dominick	Long, Mo.	Tower
Engle	Magnuson	Walters
Gore	Morton	

So the amendments of Mr. WILLIAMS of Delaware were rejected.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMINGTON. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, it is proposed to strike out lines 10 through 18, as follows:

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any project in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such project, except when such nationals or citizens of the United States are not available and qualified to perform such work.

THE BALANCE-OF-PAYMENTS PROBLEM

Mr. SYMINGTON. Mr. President, in the previous four statements I have presented to the Senate on the balance-of-payments deficits of the United States, the following factual conclusions emerge:

First. The principal causes of our balance-of-payments deficits, current and cumulative, have been: (a) U.S. Government expenditures abroad, for military and economic aid; (b) a fundamental structural change in our international commodity trade pattern.

The United States has become more and more dependent on imports of basic raw materials. The U.S. proportion of world trade has been declining. It has been difficult, therefore, to earn sufficient surplus of exports over imports, to pay for our Government expenditures abroad; (c) there is a growing deficit on tourist account.

Second. An analysis of proposed remedies showed: (a) Increasing interest rates, so as to stem the flow of capital and hold down, or reduce, the price of

commodities in the United States in order to become competitive in world markets is probably unacceptable, on both economic and political grounds, therefore, not likely to succeed; (b) any prospects of solving the balance-of-payments deficits by means of a successful export promotion drive are not promising, because the Iron Curtain countries, and the underdeveloped countries, do not show opportunities for net export sales for cash. In addition, the balance-of-payments surplus countries of Western Europe, nations which can afford to buy from us, nevertheless are not inclined to liberalize their policies through specific consideration of our increasingly serious balance-of-payments problem; (c) devaluation of the dollar, or flexible exchange rates, are neither useful nor practical.

Because of growing recognition by international bankers and economists that the balance-of-payments deficits of the United States may not be easily resolved without unhappy consequence to the economies of other countries, we have been forced to the only other alternative; namely, that of continual borrowing from other countries and international institutions, in order, in turn, to continue with our program of excessive foreign expenditures. This is now being done through the sale of our so-called Roosa bonds to other governments and foreign central banks.

These latter bonds are U.S. Treasury obligations, denominated in the currency of the lending country; namely, Swiss francs, German marks, Italian lira.

Already some \$650 million of said bonds have been used to borrow from foreign countries; also there has been some \$600 million of additional borrowings from the International Monetary Fund.

And the pile up of current liabilities, liabilities of the United States to pay in gold are, of course, still additional borrowings, in this case callable on demand.

It is a fact that this easy way out—continuing our deficit expenditures abroad on borrowed money—is the basis of recommendations made by the Brookings Institution, along with certain other economists and bankers, to create an international credit issuing bank in the name of increasing liquidity; a bank from which we and others could borrow, and into which surplus countries could deposit their earnings.

This alternative can only lead the United States deeper and deeper into debt, either to other countries, or to international institutions; and that in turn can only lead to the loss of our freedom of action.

Admittedly, therefore, there has been created a dilemma for U.S. policymakers, because all available choices would appear to have unpleasant consequences for someone.

Perhaps it is fair to say also that we have hesitated to make the necessary hard decisions.

In any case the problems incident to putting our financial house in order—bringing in line expenditures abroad with receipts from abroad—are becoming steadily more complicated.

Now what would be the least harmful way of achieving this latter result?

First and foremost, of course, would be the willingness of our European allies to buy more goods from us. This they could do in coal, in various agricultural products such as poultry and grain; and also in such hardline end items as automobiles, aeroplanes, electrical appliances, and so forth.

Such action would require these nations to retreat from their increasingly nationalistic and protectionist policies of autarky; this they could do through lower tariffs, quota eliminations, and the wiping out of internal discriminatory taxes and regulations.

Our friends and allies could also contribute to the solution of our balance-of-payments problem by sharing more equitably the cost of defending the free world, sharing with us the tremendous expenditures we continue to make, in both foreign aid and offshore military outlay.

Unfortunately, however, there has been little inclination to give adequate response to our repeated urgings in this direction; and although these now prosperous nations count on our troops remaining in Europe, they are not willing, either to pay their fair share of the costs incident to such troops, or to make the equivalent money and manpower contributions they nevertheless consider necessary for the defense of their own homelands.

Mr. MORSE. Mr. President, will the Senator from Missouri yield briefly to me?

The PRESIDING OFFICER (Mr. INOUE in the chair). Does the Senator from Missouri yield to the Senator from Oregon?

Mr. SYMINGTON. I am glad to yield.

Mr. MORSE. The Senator from Missouri knows that once before I spoke very highly of the Senator's series of speeches on the balance-of-payments problem.

I have read the advance copy of the speech he is making at this time, and I congratulate him on it.

I believe his five speeches should be printed in a booklet, because, in my judgment, they are very meritorious and should receive wide dissemination.

The point the Senator from Missouri is making is unanswerable. Instead of six divisions being kept in Germany, five of them should be brought home. Their presence abroad has a direct relationship to the balance-of-payments situation. I cannot understand why we should continue to pour our money into our infrastructure program in Europe and still expect to improve our balance-of-payments situation.

Certainly we shall not receive cooperation from these countries so long as our country continues to pour out this money.

Mr. SYMINGTON. Mr. President, I deeply appreciate the comments of the able Senator from Oregon. No one appreciates the grave and growing aspects of this problem more than he.

These nations want the United States to continue with its aid program, including loans made with an interest rate of three-fourths of 1 percent. But we find

not be easy to put into effect. But something of the kind proposed is absolutely essential. Some people have the feeling that the problem is nearing solution because announcement of the interest-equalization tax has stemmed the flow of capital abroad. Results of the statistics of the past 2 or 3 months show that in that period we have not lost much gold and that our balance-of-payments situation is improving. Those statistics, however, should be viewed in the perspective of what is causing this temporary correction. The basic problem is one which gives evidence of becoming permanent unless we take action against it.

The Senator from Missouri is correct in saying that we are going deeper into debt and losing our freedom of action. We are getting into a position in which we may be forced to act, and act precipitately, and perhaps against the interests of the free world, unless we put into effect such recommendations as the series of carefully worked-out proposals which the Senator from Missouri recommends.

The Senator from Missouri has made an excellent and persuasive presentation. I hope it receives the kind of national attention and consideration it so richly deserves.

I thank the Senator for yielding to me.

Mr. SYMINGTON. Mr. President, I am very grateful for the remarks of the senior Senator from Wisconsin. After serving with him many years, it is my conviction that no Member of this body has more grasp of the fiscal and monetary policies of the United States, and the problems involved therein than does the Senator from Wisconsin.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my able friend from New York.

Mr. JAVITS. First, I believe the whole country—and certainly the Senate—should be grateful to my colleague, the Senator from Missouri, for his presentations; so intelligent, so thoughtful, so provocative, and so original. I compliment the Senator. I know that if millions of people could speak on the floor of this Chamber they would speak as I do.

I wish to make two points with my colleague the Senator from Missouri. Like our beloved friend the Senator from Wisconsin, the Senator knows that I also have addressed myself to these problems.

The first point is, Why are we agitated about the balance of payments? It is not that the United States does not have great resources, great productive power, or is not solvent. We are exercised because it is a "fever chart." The appraisal of the world is that we are not doing as well as we need to do to carry the load. Either we must disengage from some of the load or we must do much better, as in export trade and other matters which produce dollars.

The Senator mentioned tourism, which costs us \$1.5 billion a year.

Mr. SYMINGTON. Yes, I mentioned tourism.

Mr. JAVITS. That is the first point. That is what the American people must realize.

We are not belaboring the subject because of the \$3 billion a year involved. We are belaboring it because of the trend.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 5 more minutes.

Mr. PASTORE. Mr. President, have I time available?

The PRESIDING OFFICER. The Senator from Rhode Island has 15 minutes.

Mr. PASTORE. I yield all my time to the Senator from Missouri.

Mr. SYMINGTON. I thank my friend the distinguished Senator from Rhode Island for his typically gracious courtesy, and take this opportunity to congratulate him on the way he is handling this bill.

Mr. JAVITS. We are discussing the fact that the stability of the dollar is the base upon which world finance depends. Our own operations show that we are carrying too big a load. Either we must disengage ourselves from some of that load, with our allies, or we must find ways of financing it better than we have in the past.

Incidentally, like the Senator from Missouri, I am devoted to the foreign aid program and other programs, so I believe the answer is that we must find some way for greater burden sharing, and we must make efforts to deal with the problems of the general type the Senator has described, with which other Senators have also dealt.

There is another point which is quite important to the two Senators who have spoken and to the majority. Some of the most original and provocative ideas in this Government are voiced on the Senate floor. Senators are pretty important people. At least, the people of the country so believe. They send Senators back, in votes by the millions, for long terms.

When a suggestion comes from the Senate floor it seems to me that it falls like a stone in the sea. That is the end of it. No executive department takes any interest in it, unless beaten over the head with an amendment or some hearing and compelled to pay attention to it. Then they suddenly discover that ideas are presented.

When the President makes a suggestion or when the Secretary of some Department makes a suggestion, we comment on it. We are interested. We see what can be done. We introduce bills, and so on.

I hope very much that Senators who have addressed themselves to this subject will use their influence with the executive departments, so that when ideas are proposed they will be given serious and thoughtful study and consideration, and we will get a reaction, to find out whether they are right or wrong and whether anything can be done in governmental policy.

That is the least tribute that can be paid to such thoughtful, painstaking, detailed work and original thinking as evidenced by the presentation of the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I am very grateful for the comments of the distinguished Senator from New York. He too is an expert in this field. One of his talks last summer stimulated me to look deeper into this entire problem. I also agree more attention should be paid to the problem.

Not long ago the gold reserves of the great country of France were less than a half billion dollars. Recently they were more than \$3.7 billion.

Not long ago the gold reserves of the great country of the Netherlands were around \$300 million. Recently they were \$1¼ billion.

Not long ago there were little or no gold reserves in West Germany. Now their gold reserves are tremendous.

We have done our best, during all of this time, first to help these fine friendly countries get back on their feet, and we have had something to with giving them the greatest prosperity they have ever known. At the same time, our own gold reserves have dropped from over \$24 billion to less than \$16 billion.

In addition, we have callable liabilities in foreign countries of from \$25 to \$28 billion, depending upon how one figures certain international commitments. Inasmuch as these current liabilities we have incurred are callable in gold, and inasmuch as we must keep \$12 billion of our \$15.8 billion of gold available as guarantee against our currency, actually we have available less than \$4 billion in gold to put up in case we should be called upon to redeem in gold these \$25 to \$28 billion.

The more one goes into these figures the more apprehensive one becomes.

Regardless of the physical strength and productive capacity and capability of this country, it seems to me that economic freedom is beginning to move away from our shores.

Mr. GRUENING. Mr. President, will the Senator yield for a comment?

Mr. SYMINGTON. I am glad to yield to my able friend the Senator from Alaska, who has made constructive observations about this problem in the past.

Mr. GRUENING. I wish to join my colleagues in congratulating the senior Senator from Missouri for his thoughtful speech. The Senator has made a great contribution.

I should like to add one thought, which I believe is pertinent in respect to our diminishing gold supply.

For several years those of us who serve on the Committee on Interior and Insular Affairs have sought to find some legislative approach to stop the drain. Our gold-mining industry is practically extinct now, and is becoming extinct due to the fact that during the war an order was given abolishing all gold mining. This was not done by our gold-mining allies. It was not done by Canada. It was not done by Australia. It was not done by South Africa.

Every proposal which we make meets with an objection from the Treasury Department that anything we do in behalf of the gold-mining industry somehow will cause panic. None of us who serve on the Interior and Insular Affairs Committee, who have heard these remarks repeatedly, can see any justifica-

tion for them. We have sought again and again to induce the Treasury Department, since it does not agree with the proposals made by the Senator from California [Mr. ENGLE], by the chairman of the committee, and by other Senators, to come forth with some alternatives. The Department does not produce any.

That is a very shocking situation. In the other countries of the world where gold is found, it is being mined and cultivated. We are allowing our industry to perish, and are making no attempt to preserve it.

Mr. SYMINGTON. Mr. President, I thank the Senator from Alaska for his able and informed contribution to this discussion.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my friend the distinguished Senator from Alabama and ranking member of the Foreign Relations Committee.

Mr. SPARKMAN. As I have said to the Senator from Missouri privately, I believe he has given us a series of thought-provoking speeches. I have expressed the hope that the Senator would have them printed in a single brochure which might be made available.

There was one thing in the Senator's speech today which somewhat confused me. I should like to ask a question about it. I refer to the first point the Senator made with reference to the increase in short-term interest rates. I believe.

Mr. SYMINGTON. Yes.

Mr. SPARKMAN. And our effort to discourage American money from going abroad for the building of plants and so forth.

I wondered what effect that would have. The Senator says it not effective. I read in yesterday's press a column by a very distinguished and fine economist, Mr. J. A. Livingston. If I remember correctly, Mr. Livingston said that he had been one of the "doubting Thomases" who did not believe it would work, but, he pointed out, it was working and was having a decided effect on our outflow of capital.

It seems to me that is in conflict with what the Senator from Missouri said, and I wonder what his comment would be.

Mr. SYMINGTON. I did not read the Livingston column. Private investment abroad has returned much capital in the way of dividends. It has cost us jobs here. The able Senator is, I believe, talking about short-term improvement in the last quarter, less gold leaving this country. Whereas slightly more than 6 months ago, gold was going out at an average of some \$5 billion a year, that was cut to a little over \$1 billion a year for the last quarter. An increase in interest rates had something to do with it. The Senator from Wisconsin brought out other reasons.

If we followed any extended policy, however, of increasing our interest rates, we would slow down the rate of growth of our economy, and our gross national product would be affected, and unemployment would increase. Such action does not appear to be the ultimate solution.

Mr. SPARKMAN. I agree with the Senator, except for this: My recollection is that Secretary Dillon tried to draw this distinction very clearly when the policy was announced—that is, the policy of seeking an increase in short-term interest rates, but not in long-term interest rates. In other words, the long-term interest rates would primarily affect our economy, and the short-term interest rates would affect the tendency to invest abroad.

Mr. SYMINGTON. At times based on certain actions, the rate of outflow of gold considerably improves; but later the flow increases. I am reminded of a person saying, "good news today. The cancer has improved. It is better." Next week it becomes worse, however, then better, then worse again. Everyone knows that if such a situation continues, eventually there will be extinction of human or economic life. I do not see how we can afford not to do some things fundamental in recognition of this balance-of-payments problem.

Mr. SPARKMAN. I am in complete agreement with the Senator.

Mr. SYMINGTON. Before relinquishing the floor, I want nothing to be construed as being critical of our friends and allies. I have nothing but admiration, respect, and deep affection for them. But I would hope that we would start looking at our problems in our country, the way it is clear they are looking at their problems in their countries.

Mr. PROXMIRE. Mr. President, will the Senator yield on the point raised by the Senator from Alabama?

Mr. SYMINGTON. I yield.

Mr. PROXMIRE. The Senator from Alabama was talking about the interest-equalization tax, which would be a tax on the interest paid by foreigners borrowing from this country. It would not affect the interest rate in this country, as I understand.

Mr. SYMINGTON. Yes.

Mr. PROXMIRE. While I am wholeheartedly for it, and I think the Livingston column is right, that it has worked well, nevertheless, economists who have testified before the Joint Economic Committee have taken the position that the proposal has already had its full effect, even though such a law has not been enacted, because the effect of the proposal has been discounted—perhaps overly discounted—in the past few months. This is why improvement has been sudden, but probably temporary. The export of capital is only a part of our adverse balance-of-payments problem.

The respite of the past few months will be tomorrow, our adverse balance, permanent unless we do something to correct it in some such constructive way as the Senator from Missouri recommends.

Mr. SPARKMAN. Mr. President, I agree. I said I tried to get at the one point.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. PASTORE. Mr. President, has the pending amendment been withdrawn?

The PRESIDING OFFICER. Not yet.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The Senator withdraws the amendment.

Mr. PASTORE. Mr. President, I yield 2 minutes to the Senator from Alaska [Mr. GRUENING].

Mr. GRUENING. Mr. President, an article very pertinent to the issue before us appears in this afternoon's Washington Star. It is the last of an excellent series by George Sherman, and is headed "Brazil Gripped by Chaos." The jump head on an inside page is "Living Cost in Brazil Up 100 Percent in Year."

The article points out that the Brazilian Government has failed to undertake steps which she promised to take to curb inflation. I quote from the article:

The United States is caught between not being able to turn its back on the major country of the south, and not being able to work with its government.

As a result the U.S. aid program is virtually at a standstill.

In a later paragraph it says that this program, which is at a standstill, amounted to \$100 million last year. If that is a standstill, what would the program cost and amount to if it was really going?

Here is another example of some of the waste and folly which has plagued the program as a result of these governments not carrying out the promises they made and our continuing to give aid nonetheless.

Of course, these loans will not be paid, even though there is a moratorium of 10 years and they are to be paid at an interest rate of three-quarters of 1 percent. The people making those loans in the administration will not be there when the time comes. Our practice has never been to say that the loans are not being paid. When they come due they are merely "refunded." It is a piece of hypocrisy and concealment which at some distant day will plague us.

This article is pertinent to the efforts of the Senator from Oregon and some of the rest of us to bring sanity and sense to the program, which needs them and should have them if it is to succeed.

I ask unanimous consent to have the article to which I have referred printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRECARIOUS PARTNERS—BRAZIL GRIPPED BY CHAOS

(By George Sherman)

Brazil, the Goliath of Latin America, is a country wrapped in dangerous uncertainty.

Even Brazilians are beginning to admit that their aspirations to lead the southern continent are being lost in a quagmire of economic and political chaos.

In the tropical splendor of Rio de Janeiro, or along the busy streets of industrial São Paulo, the visitor easily misses the signs of nagging uncertainty.

The beaches of Copacabana are as full as always this summer season, the lavish hotels are packed and the new superhighways along the bay to the central city are jammed with racing automobiles.

In central São Paulo to the south, new skyscrapers are competing with their elders. But the uncertainty is nonetheless there. It comes out in the frenetic shopping spree of a nation which lives on credit because it no longer sees either the need or possibility to save. It comes out in a growing rash of strikes reflecting the growing restlessness of workers over their deteriorating lot.

President Goulart himself admits that the cost of living this year has risen 100 percent. "The inflation threatens to devour us," he said in a recent interview printed in a Brazilian magazine. He forecast a treasury deficit for the year of 350 billion cruzeros (almost \$600 million).

No one seems quite sure how the Government can finance the annual "13th month" bonus equal to 1 month's full wages paid workers every December—except to print still more currency. For his part, the President is now backing a demand that the unions negotiate wage boosts every 6 months to keep up with inflation, instead of at the current yearly intervals.

Inflation is no new phenomenon. It has been virtually unchecked for years. But its impact on vital economic expansion is only now understood.

Thanks to fiscal irresponsibility and a series of official discouragements, private foreign investment has dropped to almost nothing. In 1961, such investment was running at \$100 million a year. In 1962 it was already down to \$22 million. The economic growth rate of 7.5 percent in 1961—the highest in Latin America—today has fallen to the point where it lags behind a terrifying population explosion.

But despite these statistics, most observers believe the basic problem in Brazil is political rather than economic. The country has rapidly developed its natural resources, human know-how, and modern industrial base to launch into the 20th century.

But political leaders still live in another age. They attack national problems with all the primitive passion of feudal barons protecting their fiefdoms.

President Goulart is considered a prime example. Students of politics have long since given up trying to discover what ideology or consistent philosophy of action guides him. He is now attacked on all sides—right and left—as a crass opportunist.

CABINET NEVER SURE

He manipulates power from the cloistered precincts of the presidential palace in the new capital of faraway Brasília. And even his Cabinet ministers—who are regularly changed over 6-month intervals—are never quite sure what he will do next.

It is generally believed, for instance, that Mr. Goulart urged extremist union leaders in São Paulo to strike last month so as to embarrass and weaken Gov. Ademar de Barros, a bitter opponent of the President.

But the Governor held firm and the commander of the powerful 2d Army in São Paulo backed him up. Strike leaders were arrested, and the right of workers to cross picket lines was protected.

When it became obvious the strike would fail, Mr. Goulart counseled moderation on the unions and took credit for averting disaster.

He also quickly transferred the commander of the 2d Army and still further divided a military already deeply divided over the Goulart brand of politics.

CHAIN REACTION OF SUSPICION

Continued uncertainty has unleashed a chain reaction of suspicion. Mr. Goulart blames the inflation and turmoil on the unwillingness of the conservative majority in Congress to pass the agrarian, tax, banking, and administrative reform laws which he requests.

There is just enough truth in the accusation to appeal to the half-literate masses who rarely look beyond their own crippling misery.

The leaders of Congress have their own appealing answer. They claim that they will not pass drastic legislation completely changing the face of the country when they suspect that the chief executive will use the new power for his own ends.

So fearful is Congress of a Goulart attempt to overthrow the whole constitutional system that the leadership refused to recess this year for its long Christmas holiday.

The result is stalemate. The economic situation deteriorates and there is increased talk about revolutions, coups, and counter-coups.

Perhaps the most debated question is whether Brazil can stagger through to the national elections in October 1965.

The debate is heightened by persistent reports that Mr. Goulart is on the verge of shifting his Cabinet to the "nationalist left."

Despite presidential denials, the fear is that such a shift will bring into the Government Leonel Brizola, federal deputy, brother-in-law of the President, and the most outspoken advocate of ending "imperialist domination" of an "independent" Brazil.

REASONS FOR STRENGTH

The personal influence of Mr. Brizola with the President, plus a limited infiltration of Communists or their admirers into parts of the Government, accounts for the strength of leftist nationalism.

As an organized movement, it commands little popular support. And the Communists, who hide behind extreme nationalist slogans, are themselves badly split over whether to follow violent or nonviolent tactics.

On the other side stands Gov. Carlos Lacerda of Guanabara State, where Rio is located. He is a determined foe of the Communists and the most outspoken enemy of the President. He attacks Mr. Goulart for everything from corruption to sheltering Communists in his Government. He has also increasingly emerged as a leading candidate for the Presidency in 1965.

U.S. diplomats in Brazil walk a nervous tightrope. They visibly despair of finding any solution.

The United States is caught between not being able to turn its back on the major country of the south, and not being able to work with its government.

As a result the U.S. aid program is virtually at a standstill.

LOAN PAYMENTS NOT MADE

Due to the Goulart failure to carry out an austerity program promised last March, payments on a \$100 million loan for currency stabilization have not been made.

The United States has continued food-for-peace programs and loans for essential long-range development projects. These amounted to \$100 million for the fiscal year ending last July 1.

These new roads, schools, irrigation and sewage systems, and training programs represent the loan foothold of the Alliance for Progress in Brazil today. They are more hollow symbols of what could be than of what is.

For, it is now quite clear, the Alliance for Progress never will become a living reality in Brazil until a political leadership emerges willing to make it so.

THE TAX BILL AND THE CIVIL RIGHTS BILL

Mr. PASTORE. Mr. President, I ask unanimous consent that the Senator from Iowa may proceed for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President, ever since this administration gave No. 1 priority to its ill-advised tax cut bill in the House, evidenced by action in the House passage of the tax cut bill long before a civil rights bill was even reported out by the House Judiciary Committee, I have been warning that statements by administration spokesmen that civil rights would be given No. 1 priority are meaningless. It is not words but action that really count, and House action on the tax cut bill first was a warning.

The American people have not yet become acquainted with the full implications of the situation. In today's Washington Post there appears an excellent, timely, and discerning article by the columnists Rowland Evans and Robert Novak, entitled "Johnson's Timetable." The authors, who are well informed about the legislative process and the techniques which can be used on Capitol Hill and in the White House, present an interesting explanation of the reason why House Democratic leaders refused to sign the discharge petition with respect to the Judiciary Committee's civil rights bill, which is now pending in the House Rules Committee, awaiting a rule to permit House debate on the bill. They suggest that the administration does not want prompt action on the civil rights bill; that it does not want the House to act on civil rights before the Senate takes up the tax cut bill, because if this were to happen, the Senate would be forced to take up the House-passed civil rights bill, and this would delay, if not prevent, ultimate passage of the tax cut bill. I say that the Senate "would be forced to take up" the civil rights bill, because its failure to do so would constitute irrefutable proof that civil rights legislation is not of No. 1 priority.

If the Senate takes up the tax cut bill first, there can well be a fillbuster, or at least very extended debate, as to it, because there are a good many Senators, including myself, who are opposed to a tax cut without a cut back in spending to make room for it. We do not want to see the American people teased with the illusion that they can have something for nothing—that they can have a meaningful tax cut without a cut back in spending to make room for it. And we do not want to see millions of low-income people, who would gain little or nothing from a tax cut, hurt by the inflation which a tax cut, unaccompanied by a cut in spending to make room for it, would thrust upon them.

If there is extended debate on the tax cut bill, while the House finally takes up and passes a civil rights bill, it could well be that the Senate would not take up the civil rights bill until so late that extended debate on it would permit time to run out in this coming session of Congress without action on civil rights legislation by the Senate; or, if the Senate finally acted, without action by the conference committee which would attempt to settle differences between the House and Senate.

Mr. President, I believe that most of the Members of Congress wish to see meaningful civil rights legislation passed by this Congress. We may differ over some of the details, but I believe that we can get together on a reasonable bill. But, if this is to be certain of happening, the administration is simply going to have to direct that the tax cut bill take the back seat. If prolonged debate on civil rights legislation results in failure of the tax cut bill, that is a consequence the administration should be willing to accept. And, as far as many of us in Congress are concerned, this is a consequence we will be more than happy to see—as long as the administration adheres to a program of a tax cut without a cut back in spending to make room for it—a program, I might say, clearly enunciated by the President's Council of Economic Advisers and the Secretary of the Treasury.

QUOTATIONS FOR MAY FUTURES IN SOYBEANS

Mr. MILLER. Mr. President, at the close of yesterday's trading in the commodity market, Chicago quotations for May futures in soybeans were \$2.80 $\frac{3}{4}$ per bushel. The opening quotation was \$2.79 $\frac{1}{2}$.

Today's issue of the Wall Street Journal, at page 18, reports that traders expected the Government report, which was issued after the close of trading yesterday, to show a drop in production estimates from a month ago; that dealers had expected a fall of only about 2 million bushels in the estimate.

In fact, the report, issued yesterday, following the close of trading, by the Crop Reporting Board of the U.S. Department of Agriculture, shows a drop of 16,717,000 bushels to an estimated production total of 701 million bushels.

The impact of this report on today's market was that trading in May futures in soybeans opened at \$2.89 $\frac{1}{4}$ and closed at the same figure. Trading was reported as constant at these prices—the maximum limit over the previous day's close. A great deal of money has been made by speculators today. And if anyone had any "inside" information regarding the report that was issued following the close of trading yesterday by the Crop Reporting Board, a great deal of money could have been made illegally.

What prompts my concern is what appears to be an inexcusably inaccurate job of forecasting 1963 soybean production on the part of the Department of Agriculture, the results of which may well have cost our farmers who produce soybeans hundreds of thousands of dollars.

On November 15, May futures in soybeans closed at \$2.99. Since that time, until today, a large volume of trading has been as much as 23 $\frac{1}{2}$ cents lower. It is most unlikely that there would have been such a drop in the market if the estimates of the USDA had not been off so far.

On September 10, the Crop Reporting Board's publication, Crop Production, estimated soybean production, as of September 1, at 728 million bushels. On October 10, the Board estimated produc-

tion as of October 1 at 727 million bushels. This estimate appeared in sharp contrast to reports of drought conditions in some parts of the country, and particularly to an article appearing in the October 29 issue of the Wall Street Journal which, among other things, pointed out that the associate dean of agriculture of Iowa State University had estimated 1963 soybean production at only 688 million bushels. I ask unanimous consent that extracts from the Journal article be placed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARKETS AT A GLANCE COMMODITY INDEXES

Dow-Jones futures: 159.33, off 0.79; last year, 142.98.
Dow-Jones spot: 160.87, up 0.14; last year, 145.88.
Reuters' United Kingdom: 488.8, up 1.2; last year, 417.7.

FUTURES PRICES

Lower: Sugar, wheat, eggs, lead and Chicago rye.

Irregular: Corn, soybeans, soybean meal, soybean oil, Chicago oats, Winnipeg rye and flaxseed.

Higher: Cocoa, coffee, hides, rubber, wool, cotton, zinc, copper, silver, potatoes, cottonseed oil, Winnipeg oats and Minneapolis flaxseed.

Mr. MILLER. Mr. President, on November 12, the Crop Reporting Board of the USDA estimated production for 1963 at 718 million bushels, as of November 1—a drop of 9 million bushels from its estimate of the previous month. And now, 1 month later, it has dropped its estimate by 16,717,000 bushels.

Perhaps the most alarming part of these last two estimates is that the unusually dry weather this past fall permitted a generally early harvest, so that most of the 1963 production was harvested before November 1. Under such circumstances, a difference in estimates between October 1 and December 1 of 26 million bushels appears to be inexcusable.

I am requesting the Secretary of Agriculture to look into this situation immediately and to furnish me with an explanation of why this occurred. And I am also directing a letter to the distinguished chairman of the Senate Agriculture Committee suggesting that this matter be investigated by his committee—not only with a view to determining how such inaccurate estimates can be prevented from happening again but also with a view to determining whether there has been any unethical or illegal activity connecting personnel of the USDA and members of the grain trade who have been making profits following release of USDA production estimates.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the status of the business before the Senate?

The PRESIDING OFFICER. One committee amendment has not been agreed to.

Mr. PASTORE. Is that the pending business?

The PRESIDING OFFICER. The amendment has been laid aside. Is the Senator ready to call it up?

Mr. PASTORE. Mr. President, I ask that the amendment, which was laid aside, relating to the language at page 17 of the bill, be stated.

The PRESIDING OFFICER. The committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out the language on page 17 from line 9 to line 16, inclusive, as follows:

None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national.

Mr. MUNDT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. I understand that the time limitation on the amendment is 2 hours, with 1 hour allowed to each side. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Does the Senator from Rhode Island yield time?

Mr. PASTORE. I thought the Senator from South Dakota would proceed first.

Mr. MUNDT. Assuming there are any arguments in favor of the Senator's position, should not the Senator from Rhode Island proceed first?

Mr. PASTORE. The argument in favor of my position is the one which the Senate heard several weeks ago.

The amendment was suggested by the distinguished Senator from South Dakota. It then was agreed to refer it to the Committee on Banking and Currency, which reported it unfavorably, but with minority views.

The proposal was debated exhaustively on the floor of the Senate, and the Senate rejected it.

This is more or less the same amendment that has been inserted in the foreign aid bill by the House. Because of the action taken by the Senate, as I have already said, the Committee on

Appropriations rejected this particular language in the bill as it came from the House.

If the Senate is to remain consistent with its position already taken, that nothing has happened in the intervening time that would cause Senators to change their minds, I suggest that the language should be deleted. That is the gist of the amendment.

Mr. MUNDT. Mr. President, I yield myself 15 minutes.

Good causes, like old soldiers, never die. What has been said by the distinguished acting chairman of the committee is correct up to a certain point. But he failed to state that while the Senate has voted twice in connection with the contents of the issue before the Senate, on one occasion it voted not to lay the measure on the table, which was tantamount to voting for its approval; and on another occasion it voted to lay it on the table, which was tantamount to deferring a decision on the issue.

I am not sure what the attitude of the Senate is on the merits of the proposal itself.

On yea and nay vote today, there will be no motion to lay on the table; the Senate will have before it, clearly, squarely, and firmly, the issue of whether it wishes to initiate a policy of placing the credit of the American Government and of our taxpayers' money behind the bad credit of Communist dictators for the purchase of supplies, here or abroad. That is the essence of the issue.

I placed in the RECORD yesterday, for easy reference, at pages 23844 and 23845, the three yea and nay votes which have been taken on this issue, one in the House of Representatives and two in the Senate. In the main, we can fairly well predict how Senators will vote; but there is a "swing shift" of 12 or 15 Senators who have been, at times, on one side, and, at different times, on different sides of this important issue. I wish to direct my remarks primarily to the "swing shift," to try to get them on the right side now, for we are dealing with the basic issue at hand.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. LAUSCHE. Were the page numbers to which the Senator just referred pages in the CONGRESSIONAL RECORD?

Mr. MUNDT. The CONGRESSIONAL RECORD of yesterday, December 18, pages 23844 and 23845.

There is before the Senate this time a clear-cut issue. It should have been before the Senate all the time because, in my opinion, this will be a far-reaching public decision, in many ways more significant to the future of America than our vote on the test ban treaty, which was adopted after many days of debate, and which I supported affirmatively, but as to which there was a considerable amount of dissension and discussion.

In this instance, we are called upon to change a policy that the Export-Import Bank has followed since its inception. Never since 1933 and until the recent decision by its Board of Directors, has the Export-Import Bank extended credit to a Communist country or guar-

anteed credit that the Communist have achieved.

For 16, 17, or 18 years we have followed the congressional and administrative policy of restricting trade with the Red Communist bloc as a part of our cold war technique and our basic American bipartisan foreign policy and as a supplement of the foreign aid processes and programs which we have been debating for the past few days.

When it was announced on October 9 that American firms had received export licenses to trade with Communist countries, and that some of those licenses had been issued to commercial traders for the export of commodities to the Soviet Union and Soviet bloc countries, it was then stipulated that the trade would be for cash, for gold, for cash on the barrelhead, or on normal commercial terms. I submit that it is straining the words "normal commercial terms" to do something which has never before been done; that is, to extend to the Export-Import Bank credit and credit guarantees to the Communist bloc countries. It is unusual. It is unwise. Obviously, it is not in conformity with "normal commercial terms," because a proposed action, which has never been taken before, certainly cannot be considered a normal action.

Mr. PASTORE. But neither have we sold wheat to the Soviet Union before.

Mr. MUNDT. That is correct.

Mr. PASTORE. Naturally, if we are to do one thing we have never done before, as contingent upon something else, why is the Senator so excited or disturbed about the latter part?

Mr. MUNDT. I will explain why I am disturbed about it. Whether I am disturbed or not, it would not be a normal transaction. It has never been done before.

I believe the American people generally do not understand the situation. They have received a wrong impression. Editorials by the dozens have appeared all over the country, either for or against the transaction, on the basis that it was to be cash on the barrelhead. Senator after Senator stated on the floor or wrote to his constituents that he approved or disapproved a policy, which involved the sales of grain for cash or for gold.

So now the issue is squarely before the Senate, and the coming vote will decide exactly the Senate's attitude in this area.

In the second place, the votes which were taken in the Senate were not votes taken on the merits of the bill. Senators have expressed in public and in correspondence the fact that they were voting because of the timing of the situation. They were voting because they did not believe the question should be considered in that bill, or place, in that way or at that time. They said they were deferring action on the proposal by voting to lay it on the table.

But now the moment of truth has arrived. The House has written the provision into the bill. Now we are to decide by our votes the only question: Do we approve or disapprove changing a policy we have followed for from 15 to

18 years; of changing the policy of the Export-Import Bank, which has existed since its inception in 1933?

Do we want to compel our constituents, the taxpayers, to underwrite with their money the good faith, good intentions, and good credit of the Communist dictators? A vote "Yea" would say, "All right, Mr. Taxpayer, you are stuck. If the Communists violate the terms, you will pay for it." A vote "Nay" would continue a foreign trade aid policy which has served this country well for almost two decades.

Furthermore, this is not a proposal which involves the question whether we should trade wheat, corn, cotton, or tobacco. The amendment as approved by the House deals with all products and for all countries. It involves the question whether we want to do business with Communist dictators, helping them to import the things they need to shore up the staggering economy in the Communist countries by means of the credit extended by the American taxpayers?

It involves, in addition to grain, other items which the Soviet Union has been seeking from this country. They have been seeking to purchase alcohol, because they have a shortage of alcohol in their vodka operations. It involves whether we want to extend the credit of the fine, churchgoing people of this country and compel them to pay, from their funds, the losses sustained in providing booze for the Communists—because that also is what is involved.

There is something worse. The Communists have now said they want to produce some \$46 billion worth of fertilizer, fertilizer machinery, and fertilizer equipment.

They have said they intend to purchase 50 complete fertilizer plants from the United States; that they would like to spend at least \$2,500 million to buy the fertilizer plants—and they want it not only on credit, but on 10-year credit.

If we continue to appease the demands of the Communists as fast in the next 3 months as we have in the past 3 months, we shall be giving them the 10-year credit and also giving them green trading stamps as a bonus or as interest on the easy credit, because we have slipped away from the high position of cash on the barrelhead to a position where we have yielded, first, to giving them a lower interest rate than they can get in Canada.

Second, we have yielded on the basis of no longer requiring cash on the barrelhead. Instead, the proposal now is for 75 or 80 percent to be extended by credit for at least 3 years.

Third, we have yielded to the extent of giving them preferential shipping rates. They have been given a most-favored-nation status.

So we have appeased them at every stage of the negotiations, in our scramble to attempt to sell some of our merchandise to the Communists, so they can strengthen their muscles and increase their stature and become stronger in their attempts to imperil the free world. In fact, we have appeased them to such an extent that next year and the year following, ad infinitum and ad nauseam,

the State Department will be able to say to us, "Appropriate \$3 or \$4 billion more of U.S. aid to shore up the economy of the free world since our sales on credit to Red Russia have enabled the Russians to imperial the economies of the free world countries"—and to do all this by means of aid from the United States extended on credit guaranteed by American taxpayers.

No wonder the House of Representatives voted to make sharp cuts in the foreign aid bill, and no wonder so many cutbacks on foreign aid were voted by the Senate. Our policies have become completely self-defeating.

I submit that it is idiotic to attempt to put us in the business of financing both sides of the cold war at the same time, all with American funds. But, in essence, what is the difference between our approach of cold war foreign aid to the Communist countries, if we permit this arrangement to continue, and our aid to the free countries? The only difference is in the interest rates we charge. We propose to guarantee the repayment of the Russian credits, and to let them have our funds with which to buy supplies in the United States: we merely would charge them a few percentage points more interest than the interest rate we charge for the aid we give the countries which are friendly to us. That becomes the only difference.

Mr. President, at this rate, how long do Senators believe it will take to bankrupt the United States or to destroy whatever efficacy there is in our mutual aid program, if we continue to support both sides at the same time—which is exactly what we have been contemplating in the last few weeks, insofar as the extension of credit to Communist countries is concerned. If we adopt this proposal now, we shall be extending hundreds of millions of dollars of credit—perhaps ultimately billions—to the Communist countries; and if the added credit extended to the Communists does not pay out, the bill will be paid by the U.S. taxpayers. Furthermore, Mr. President, the record shows that the Communists do not pay very well.

Mr. PASTORE. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. McGovern in the chair). Does the Senator from South Dakota yield to the Senator from Rhode Island?

Mr. MUNDT. I yield.

Mr. PASTORE. I do not mean any impertinence by the question I shall ask; but I wonder whether the Senator from South Dakota would be inclined to favor the sale of any of our wheat to the Russians. I assure him that I am not trying to "box him in."

Mr. MUNDT. Yes; I would be inclined to favor the sale of our wheat to Russia, by means of cash on the barrel-head at time of delivery provided we did some hard-headed American trading, for once, and did not always trade a horse for a rabbit. If we could obtain a quid pro quo in regard to the Berlin Wall and in regard to Vietnam or Korea, we would be in a position to obtain some victories for the free world.

Mr. PASTORE. But that was not my question.

Mr. MUNDT. The Senator from Rhode Island asked whether I would be willing to have any of our wheat at all sold to Russia; and I answered the Senator's question.

Mr. PASTORE. No; I asked whether the Senator from South Dakota would be willing to have any of our wheat sold to Russia for straight cash; and the Senator from South Dakota has answered by saying that he would be willing to have that done, provided we obtain some concessions, in addition to the cash. Is not that a correct statement of his reply?

Mr. MUNDT. That is correct.

Mr. PASTORE. I realize that the Senator from South Dakota has always been a great protagonist of the USIA information program.

Mr. MUNDT. That is correct.

Mr. PASTORE. Will not the Senator from South Dakota admit, with me, that "poor Mr. Khrushchev"—and I use the word "poor," in that connection, with all the appropriate contempt anyone can imagine—

Mr. MUNDT. Except that I would say "poor credit-risk Mr. Khrushchev."

Mr. PASTORE. After all, all of us love America as much as anyone else does, and all of us hate communism as much as anyone else does. I do not think the Senator from South Dakota believes that he hates communism any more than the Senator from Arkansas or I do. All of us hate communism.

But it is a fact that Khrushchev has held nothing but contempt for our capitalistic system; he has said again and again, "Your system will not work. Your system cannot work. The only solution for humanity is communism."

We have spent many millions of dollars for propaganda purposes; and now we find that Khrushchev is forced to acknowledge to the entire world that the only way he can feed his hungry people is by obtaining food from capitalism. Think of that, Mr. President, if that sort of propaganda is not worth several billion dollars, I do not know how else to describe it. Khrushchev now finds that he is forced to ask capitalism for food for his hungry people, even though again and again he has said, "I will drive capitalism into the sea." But today he recognizes that the only way he can fill the stomachs of the hungry people of Russia is to obtain food from the capitalistic system which he said could not work. Mr. President, we would never be able to buy such successful propaganda—not even for \$100 million or \$1 billion.

So I say this is the biggest boon to the free world in the cold war, in terms of propaganda, that we have witnessed in the past score of years. Khrushchev has insisted that our system could not work; but now he finds that he cannot feed his people unless he obtains food from us. I say, "Poor Mr. Khrushchev."

Mr. MUNDT. I say, "Poor credit-risk Mr. Khrushchev"—and I shall proceed to prove it.

Khrushchev has taken the same attitude ever since we showed we were will-

ing to play Mr. Sucker. He started, at the beginning of the lend-lease program and the pipeline operations—

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. Yes, if the other side will yield some of its time.

Mr. PASTORE. Mr. President, I am willing to have the time yielded to the Senator from Montana charged to the time under my control.

Mr. MUNDT. Very well.

Mr. MANSFIELD. In the negotiations with Canada, the Russians paid 25 percent down, and paid the rest in 15 months; and in one case they paid 80 percent down, in order to avoid paying more interest.

Mr. MUNDT. Yes, because the Canadian Government was smart enough to charge such a high interest rate that the Russians preferred to pay cash.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I do not yield now. The Senator from Vermont will be able to have time yielded to him from the time available to those on his side.

Mr. PASTORE. Mr. President, I yield to the Senator from Vermont such time as he may use.

Mr. MUNDT. Very well. Will the Senator from Rhode Island yield to the Senator from Vermont the amount of time the Senator from Rhode Island too, in the last few minutes, from the time available to me?

Mr. PASTORE. Absolutely.

Mr. MUNDT. Very well; then it is a "deal."

Mr. PASTORE. Certainly.

Mr. President, I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, I wish to ask how many countries have fully met their lend-lease obligations to the United States. We know that Finland has done so; but how many other countries are completely free of obligation to the United States because of debts incurred during the war?

Mr. MUNDT. That is one reason why I tried to induce the Senator from Vermont to go along with me, in the Foreign Relations Committee, in my effort to have a higher interest rate charged and to make an arrangement for amortization payments, so we could get back some of that money.

Mr. AIKEN. But I do not think the way to do that is to tell our wheat-growers that they must stop raising wheat. Yet that is what will have to be done if we have to sell our wheat on a restricted market. Western Europe is trying to put us out of its market, and the Public Law 480 operations are becoming a little shaky. Under these circumstances, soon we shall not be able to even give away our wheat.

Therefore, either we shall have to permit the Commodity Credit Corporation to sell the wheat as best it can, and it will have to repeal the regulations—Congress will not have to do it—which were inaugurated a few years ago; it will either be necessary to remove those ad-

ministrative regulations, or else we shall have to establish the strongest kind of controls over the production of wheat in the United States, if it no longer will be possible to sell our wheat in Western Europe and if we will not allow it to be sold to Eastern Europe.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield half a minute of his time to me?

Mr. AIKEN. I yield to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for one-half a minute.

Mr. MANSFIELD. What have we been doing under Public Law 480, during the past several years, in Poland and Yugoslavia?

Mr. AIKEN. Yes.

Mr. President, I assume that the time I am using will be charged to the time under the control of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Yes, Mr. President; this time can be charged to the time available to Senators on this side.

Mr. AIKEN. I do not believe we can keep communism and socialism out of the United States altogether, but the U.S. Commodity Credit Corporation is in the business of selling grain to any country. We can take it away from private traders. They do not like it, but we can take it away. We can say to the Commodity Credit Corporation that it must sell direct, if it is sold, or else they must do something else with it, or else we will most likely tell the U.S. wheatgrower that he must let the other countries of the world take over the world market and not plant.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. MUNDT. Not at the moment. I do not wish to become diverted into a discussion of the farm program, which is altogether unrelated to the question.

Mr. AIKEN. We cannot separate this problem from the farm problem.

Mr. MUNDT. I could make my point if there were not a single grower of wheat involved. I am primarily interested in the pattern that is emerging. We have already received requests for alcohol, for fertilizer, and for a chemical plant. Borrowing American money and guaranteeing Communist credit to purchase fertilizer and chemical plants, which can be used not only for agriculture but also for warfare, I believe makes this a program of international idiocy, underscored and italicized.

I am pleading for some consistency in our foreign aid programs. Either we are to have foreign aid programs and engage in a cold war, or we are not. But if we are to have foreign aid programs, to the extent of \$100 billion now expended for 107 countries, to fight a cold war which has succeeded to the point where the Russian economy is beginning to stagger, are we to call an armistice or a moratorium and say "You are getting in bad shape with this unworkable Communist bureaucracy of yours. If you need something we will give you the money and the credit; we will sell you what you need; we will make you strong again to continue your Com-

munist aggressions" ad infinitum? It does not make sense.

We should decide for ourselves: Are we serious about trying to pinch the economy of the Communists, or are we not?

Concerning the credit risk of Soviet Russia, I should like to quote from an article written by Robert S. Allen and Paul Scott, distributed by the Hall Syndicate in New York City, about the Canadian experience:

WASHINGTON, November 11.—Canada's immense wheat sales to Red China are turning sour. While deliveries of the grain, which the Canadians peddled with zealous eagerness, are continuing on schedule, payment is not. Peiping's installments are steadily lagging. Authoritative U.S. sources estimate the Communists are more than \$100 million in arrears.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET RUSSIA CREDIT RISK

(By Robert S. Allen and Paul Scott)

WASHINGTON, November 11.—Canada's immense wheat sales to Red China are turning sour. While deliveries of the grain, which the Canadians peddled with zealous eagerness, are continuing on schedule, payment is not. Peiping's installments are steadily lagging.

Authoritative U.S. sources estimate the Communists are more than \$100 million in arrears.

Ottawa is giving no public hint of this disturbing situation. And naturally, Peiping is saying nothing either.

But Canada is sounding out United States, British and World Bank officials on bailing out Red China by lending enough money to meet its overdue installments on the \$650 million wheat debt.

In these hush-hush feelers, the Canadians apparently are thinking in terms of a loan of several hundred million dollars to the Communists.

So far, these backstage overtures have gotten no encouragement.

What the next move will be remains to be seen. This matter has become known to congressional leaders, and they are watching it closely. Any attempt to provide Peiping with funds to pay for the wheat it bought from Canada, over U.S. protests, would precipitate a furious uproar.

The Kennedy administration, already deeply embroiled in congressional tribulations, is not likely to risk such a certain violent explosion.

For Red China, its financial difficulties come at a highly inopportune time.

Faced with the absolute need to continue importing large quantities of grain for at least another 5 years, the Communist rulers already are shopping around for new supplies.

Argentina and Australia are being broached for deliveries in 1965.

But the specter of the steadily mounting lagging payments to Canada is casting a pall on China's chances of doing business with those countries. They are hinting at cash-on-the-barrelhead terms.

Canada sold its grain for a 25-percent downpayment and the balance in installments over 18 months after delivery.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MUNDT. I am glad to yield to my good friend.

Mr. MANSFIELD. It is my under-

standing that the transaction being proposed is not with Communist China but with the Soviet Union, whose credit, I understand, is good.

Mr. MUNDT. I do not know where the Senator gets his understanding of the validity of Communist credit, because they have not even settled the debts which they incurred in the pipeline of lend-lease.

Mr. MANSFIELD. The Senator from Vermont [Mr. AIKEN] has raised that question. What the Senator from South Dakota [Mr. MUNDT] has raised is the question of credits to Communist China.

Mr. MUNDT. I am talking about Communist Russia's failure to pay its lend-lease claims. I agree with the Senator from Vermont that there is some legitimacy in their disagreement on that, but not on the pipeline claims or the debts extending beyond that.

We offered to cut \$11 billion of Red Russia's bad debts down to \$800 million. They refused to settle. They countered with an offer of \$200 or \$300 million, with the provision that they could purchase materials which they needed from the United States on credit. Now it is proposed to give them the credit. We will not even get our \$200 to \$300 million payment on the bad debts which have accumulated in the past.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. MUNDT. Not at this moment.

Small wonder, Mr. President, that the Wall Street Journal, which knows something about international finance, and serves the financial community of the country, points out in an editorial entitled "How One Thing Leads to Another," how we have adopted an American foreign policy based on slippage and expediency. We make a brief announcement that the Communists will not buy this—and we retreat; they will not buy that—and we retreat; and we continue to retreat. I submit this can go on into the billions of dollars. If we establish for one segment of the economy its right to sell on credit guaranteed by the U.S. taxpayers, we must establish it for all.

Mr. President, because it is pertinent to the debate, I ask unanimous consent to have the entire editorial from the Wall Street Journal printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal]

HOW ONE THING LEADS TO ANOTHER

When the Russian wheat deal was first proposed last October, the late President Kennedy, in clear and specific language, laid down some excellent terms. He carefully explained what the deal would be—and would not be.

This would be a private, commercial transaction, the Government's role being limited to granting the necessary permission, he said. The sale would be for gold or American dollars, either cash on deliver or "normal commercial terms." Basically, in his words, "the Soviet Union would be treated like any other cash customer * * * who is willing and able to strike a bargain with private American merchants."

In presenting this arrangement, Mr. Kennedy emphasized that one feature of it was that the wheat sold to the Soviet Union would be carried in American ships.

Thus while even then the wheat sale was not without its critics, it was generally accepted by the public on the basis of this straightforward arrangement. On such terms the Russians could buy wheat on the world market anyway, and it seemed as though we would get a fair "quid" for the Russian "quo."

Now, it seems things aren't quite what they seemed.

One of the first things that happened, once the Soviet buyers got the U.S. Government's approval to the principle of a sale, was that they balked at having the wheat shipped to them in American ships. Mr. Khrushchev, figuratively at least, banged the bargaining table, and the U.S. Government relaxed this part of the arrangement.

After that it developed that the Soviet Union didn't want to pay cash after all, either in gold or U.S. dollars. Nor were the Communists willing to deal on "normal commercial terms," meaning such short-term credit as they might get from either the private sellers or private banks. A few efforts at obtaining such credit on their terms, here and in Europe, were unproductive. Whereupon the Soviets said to us: No credit, no deal.

So next the proposition was that the U.S. Government, through the Export-Import Bank, itself finance the Russian wheat purchase by guaranteeing a loan for 75 percent of the purchase price.

The first reactions to this, not unreasonably, were objections in Congress. A bill was introduced to prohibit this U.S. financing of Russian trade. And although Treasury Secretary Dillon argued that we must underwrite the sale or there would be no sale, the Senate Banking Committee appeared unpersuaded that the deal was worth that price. Appeared unpersuaded, that is, until the assassination of President Kennedy.

Then, in the aftermath of that tragic event, the Senate committee quietly decided to put aside its objection to financing the Russian wheat sale. The explanation given was that this was intended as a tribute to the man who had so carefully spelled out the original terms, and somehow as a gesture of confidence to the new President.

This action had hardly been taken, yielding one more point to the Soviet bargainers when there developed an argument over the shipping rates for transporting the wheat to Russia. The Russians decided they were too high, implying that if something can't be done to get cheaper shipping rates—a special U.S. subsidy, perhaps?—maybe they would have to get their wheat somewhere else.

What interests us here is not so much the wrangle over the Soviet Union's credit standing, although Senator MUNDT had a point about the unpaid Soviet debts due us from World War II. Nor so much even the fact that a Soviet wheat loan would be a major change in the Export-Import Bank policy, which has so far never extended credit or credit insurance to a Communist bloc country.

Rather, the intriguing thing here is the progressive change in the wheat deal and the attitude of U.S. officials to the changing Soviet demands. We have witnessed a typical Communist maneuver. First a proposition that has the sound of reasonableness. Then, a bargain seemingly struck, demands for a "little change." Finally, this being agreed to, a new set of demands. The same sort of thing has happened a thousand times over in different kinds of bargaining with the Communists.

Unfortunately, the American reaction is also all too typical. Congratulations at a well-struck bargain; next a little yielding in the hopes of saving the bargain. Finally, "getting a deal" seems to become to us as important as the terms of the bargain. And before you know it, the Russians have what they were after in the first place.

Whatever else may be said about the present proposals, they are a far cry from the thoughtful terms laid down by President Kennedy last October. It is really astounding, when you think of it, how one little thing leads to another.

Mr. MUNDT. Mr. President, the Russians have gold. They do not have the wheat that they need. They do not lack it to feed themselves; they do not have the wheat they need to fill the commitments to Western European countries, to Cuba, to China, and to their satellites. Why do they not pay gold and get their wheat and become the "big brother" among the Communist bloc countries?

It is my considered judgment that Communist Russia is more interested in establishing a line of credit in this country than in purchasing wheat, or even alcohol for their vodka for the "happy hours" they hold in Moscow, or perhaps even more for fertilizer. They wish to establish a line of credit and then, after having established it, to give us the old double heave-ho. They would renege as they have reneged before. This is obviously to their interest, because they recognize that their economy has faltered, and is faltering even more as it goes along.

I ask unanimous consent to have printed in the RECORD an article published in the New York Times and an article published in the U.S. News & World Report which spell out precisely the 10-year credit terms that the Communists would like to get for the purpose of fertilizer plants, alcohol, machine tools, and other products in this country, quoted, in the words of "poor credit risk" Nikita Khrushchev himself.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 10, 1963]
KHRUSHCHEV PLANS VAST INVESTMENT TO SPUR FARMING—SAYS \$46 BILLION EXPANSION OF FERTILIZER OUTPUT WILL DOUBLE GRAIN HARVEST—WESTERN CREDIT ASKED—PREMIER TELLS PARTY CHIEFS SOVIET IS READY TO PLACE LARGE ORDERS ABROAD

(By Theodore Shabad)

Moscow, December 9.—Premier Khrushchev announced today a 7-year program of expansion of the chemical industry designed to double farm production by 1970.

The Soviet leader said Moscow was opening a substantial market for chemical equipment. It is ready to place orders in the West in addition to \$1 billion worth of goods to be delivered by Soviet-bloc countries, he added.

Mr. Khrushchev warned Western suppliers against attaching "political conditions" to any sales on the supposition that the Soviet Union was in an unfavorable bargaining position as a result of this year's wheat crop failure.

He said the Soviet goal of 70 to 80 million tons of fertilizer by 1970, half of which is to be used for grains crops, would make it possible to double the production of grain and livestock fodder compared with this year's level.

INVESTMENT ESTIMATED

The Government investment required for the 7-year chemical plan was put by Mr. Khrushchev at 42 billion rubles (\$46 billion), including 25 billion rubles for chemical plants and 8 billion for the development of additional raw materials and electric-power requirements.

The total Government investment in eco-

nomie development is now running at a rate close to 40 billion rubles a year.

In what seemed to be an attempt to justify Moscow's large grain purchases against apparent criticism within the Soviet Union, Mr. Khrushchev disclosed that in 1947 people in the Soviet Union died of hunger because of Stalin's policy of exporting grain even in poor crop years.

The Premier's speech, 4½ hours long, opened a week-long meeting of the Communist party's central committee. More than 5,000 guests were present in the modern Palace of Congresses in the Kremlin.

The text of the speech covered 5 of 6 pages of Izvestia, the Soviet Government newspaper, and of a special evening edition of Pravda, the Communist Party newspaper.

Except for the prospects of buying chemical equipment abroad, Mr. Khrushchev did not touch on foreign policy matters in what was his first major address since the death of President Kennedy. Observers suggested he might discuss international problems later this week in summing up the party discussions.

The Premier charged that "the most reactionary and embittered enemies of socialism like Adenauer and others" were seeking to exploit the Soviet Union's agricultural difficulties.

Former Chancellor Konrad Adenauer of West Germany suggested in an interview that the West should extract political concessions from Moscow before agreeing to large-scale sales of grain and chemical equipment.

Mr. Khrushchev also alluded to the breakdown of Soviet-United States wheat negotiations over high shipping rates. He said,

"Bitterly disappointed will be those who expect to make fabulous profits, using a seemingly advantageous situation, who expect the Soviet Union will be compelled to accept any agreement because it supposedly has no other way out."

Warning that Soviet chemical equipment orders would go only to those who "are willing to earn an honest living," he made such purchases conditional on the granting of credits, which he described as accepted practice in commercial relations.

In disclosing criticism in the Soviet Union of Moscow's purchase of 10 million tons of wheat abroad, Mr. Khrushchev said:

"It seems there are people who wonder why we are now buying wheat whereas previously, with smaller crops, we always sold wheat."

"What can one say to such people? If grain were to be distributed to the population according to the method used by Stalin and (Vyacheslav M.) Molotov, then we could have sold grain abroad this year too. They sold grain while in some areas people had bloated stomachs, or even died from lack of food. Yes, comrades, it is a fact that in 1947 in some regions, for example the Kursk area, people died of hunger. And grain was exported all the same."

PROFITS IN UNITED STATES CITED

Mr. Khrushchev explained his chemical expansion program entirely on economic grounds, with frequent references to U.S. experience.

He said profits of U.S. chemical companies, especially in the petrochemical field were up to 80 percent higher than the average profits of all manufacturing concerns.

The Premier ascribed high U.S. agricultural output not to "any special American wisdom" but to the fact that the United States was using 4 times as much chemical fertilizer per acre as the Soviet Union.

The Soviet leader warned that the rate of growth of some industries would have to be slowed in view of the radical shift of investment capital to chemicals, but he did not identify the sectors.

Although a rapid increase of fertilizer production was presented by Mr. Khrushchev as

the principal immediate goal of the chemical program, he also stressed the use of chemical fibers, plastics, and other synthetics in consumer goods, industry, and construction.

[From U.S. News & World Report,
Dec. 23, 1963]

Business sources in Geneva say Russia will try to buy at least \$3.5 billion worth of equipment, including 50 complete chemical plants, from the West. But they also say Russian officials want 10-year credits.

Mr. MUNDT. Mr. President, I hope that the Senate, which now has the responsibility of meeting the issue head on, will vote to relieve its constituencies and taxpayers of the potential liability of underwriting the promissory notes of the Communist dictators, especially Communist Russia.

Mr. President, I should like to inquire of the Chair as to how much time I have consumed?

The PRESIDING OFFICER. The Senator has spoken for 24 minutes.

Mr. MUNDT. Mr. President, I yield myself 3 additional minutes.

It is interesting how this transaction is being handled economically. The international grain companies, which stand to make a profit by selling the wheat, leaped at the opportunity to send representatives to Ottawa where the Canadians were already dealing with Russia, and said, "Let us get in on this bonanza." When the transaction was accepted, and they found out it was not on cash they reneged. They said, "We do not want to advance credit to the Communists." So they went to the international bankers who extend credit all over the world. The Chase Manhattan Bank is a big bank in New York. I do not single them out as any one particular bank, but they are international bankers.

The grain company representatives said, "Will you give us the credit?" The bank said, "On what security?" The representatives said, "On security of wheat shipped to Russia; will you extend credit to Russia?"

They said, "No."

The representatives came to Washington and testified before the Banking and Currency Committee. They liked the idea of the interest rate that the bank would get—higher by far than they could get on a commercial loan in their own area—but they said, "We will not extend them credit without an American guarantee, because Communist credit is bad."

What I am requesting Senators to do is to be as concerned and as considerate about the financial interests of their own constituents as was every officer from a big city international bank who testified before the Banking and Currency Committee and manifested concern and consideration for the security and safety of their stockholders and depositors.

They said, "No." So they said to the United States, "You guarantee the credit."

This is a curious economic situation. Those who are to make a profit by selling the grain are to get all the profit and assume no risk. Those who are to receive the inflated interest payments will make a profit and assume no risks. The

American taxpayer is to assume all the risk but is to get none of the profit.

Do Senators realize what they are asked to do, Mr. President? They are asked to give the banks of New York City what is equivalent to a 5-percent Government bond, and to ask the taxpayers back home to buy bonds paying them only 3¾ percent interest to guarantee the return to the big banks of their 5 percent, less a small percentage covering the insurance premium.

I believe this proposal needs a little further study and consideration. The folks back home are asked to buy Government bonds, and they do buy Government bonds as they should, and they are given only 3¾ percent interest. They have a right to know why their money is to be used to insure and guarantee that the Communists are going to pay 5 percent interest to New York bankers, under terms as secure as those on Government bonds, because it is under the same guarantee. What is the purpose of it?

Wheat is running out of our ears in the Commodity Credit Corporation bins of America. This is to be a government-to-government transaction, anyway. Why is it necessary to "cut in" two business segments for profit without risk, merely to transport the wheat to Russia?

The PRESIDING OFFICER. The time yielded by the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 more minutes.

Mr. MUNDT. At least, if we were to sell the wheat direct from the Commodity Credit Corporation to the Russians all we could lose would be the wheat. By this procedure, if the Communists do not make good on the loans, we could lose not only the wheat but also the guaranteed interest rate plus the guarantee of principal.

I do not think any "get-rich-quick Wallingford" could think up a system to put the taxpayer in a worse position, as a part of what is supposed to be the foreign policy pattern developed in America.

This is not a proper and workable foreign policy pattern. As I quoted from the Wall Street Journal, it is a matter of slippage. I believe this proposal deserves to be considered fully. I believe the Senate should accept the House provision. I believe the House acted wisely when, by a yea-and-nay vote it put the language in the bill.

All this proposal would mean is that there would be no further transaction of the kind mentioned until we established an American foreign policy which does not try to look in three directions at the same time, until we find out what we are doing.

Are we really to continue to try to finance both sides of the cold war at the same time, with the only difference being the interest rates that we charge the Communists, who are against us, a little higher interest rate than we charge the friendly countries which are for us? That is the only difference. There is no

other difference between what is proposed to be done through the Export-Import Bank and what is proposed to be done through the AID Administration. In both instances American money is to be made available to buy American supplies to help local economies.

Obviously a careful analysis of the proposal will demonstrate that that kind of program will not work.

We can hold the line until some time in February, March, or even May—when ever the new administration decides it wants to propose a consistent pattern of foreign policy, a trade aid program that makes sense. Then we can act upon it.

I submit that Senators should vote "no" on the pending amendment offered by the Senator from Rhode Island. By doing so we shall serve the public and world peace exceedingly well.

Mr. President, I reserve the remainder of my time.

Mr. YOUNG of North Dakota and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. Mr. President, I yield 10 minutes to the Senator from North Dakota [Mr. Young].

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. YOUNG of North Dakota. Mr. President, while this is called a wheat amendment, it would affect practically all segments of our economy.

Our allies have been doing about \$7 billion a year worth of business with the Communist bloc countries. The Studebaker Corp. is a good example. That corporation has discontinued its automobile production in the United States entirely and moved to Canada. Why? Because from Canada it can sell its products to Russia and the Communist-bloc countries.

A one-nation blockade as is the case presently is not apt to succeed and we may go broke in the process. At least, we may cripple ourselves badly. I make reference to the poor balance-of-payments situation we face at the present time.

Wheat growing is one of our major industries. This year Canada had the biggest crop in history, on its second greatest acreage. Last year the United States had the smallest acreage planted to wheat since 1904. We are faced with the liquidation of our wheat industry, which has been a major industry. In the meantime, we are accomplishing nothing.

I doubt very much that we have anything to gain by withholding wheat from Russia or the Communist-bloc countries. Argentina has a big crop coming on. So does Australia. The Argentine crop will be one of the biggest in history. Canada has a great deal of wheat unsold which can be sold and delivered next spring. That can be made available as soon as spring comes, when shipping facilities will be more adequate. Russia and bloc countries can get the wheat in time.

In the meantime, the members of the Communist Party in Russia will not be starving. The poor people are those who will starve; those who would like to be on our side.

Hungary is a good example. The people of Hungary not long ago tried to overthrow the yoke of communism. Those people will go hungry, if there is a shortage of wheat. They are our friends and would never understand why we would not make our wheat available to them.

Much has been said about the drought and the bad crop situation in Russia. It is true that Russia has had its poorest crop in history. Part of that is due to their poor system, and a large part of it is due to drought. Many people believe the Russians will never be able to again produce enough wheat to feed its people.

I remember what happened during the drought years and the dust years of the 1930's here in the United States. Many so-called experts of agriculture at that time were saying that the land would never produce again. One of the first news stories I ever had was when an out-of-State expert came to me and said, "What will you do now, with no topsoil, all of it blown away?" I said, "When the rains return the land will produce again."

That land is now producing twice as much as it produced previous to the drought years.

Any nation like Russia, which put the first man into space, can find a way of producing fertilizer. Land now more or less has become a receptacle for water and fertilizer. If rainfall is ample and they can pour on fertilizer, the land will produce. This is the program Russia is embarking upon. The Russians will wish to become self-sufficient in the future as to food and fiber. We would be far better off if the Russians had to depend upon us for part of their food supply. Then they could not be quite as independent as they are now.

Much has been said about the credit involved. I believe that is a major consideration in the proposal. All of our allies provide loan insurance to their local business interests which trade with the Communist bloc countries.

If this proposal were adopted, the United States would be the only nation that did not provide this kind of credit insurance.

This would do nothing to stop Public Law 480 sales to Russia or to Communist bloc countries. We sold 450 million bushels of our food commodities to Poland under Public Law 480, and received their local currencies in exchange. Currency that had little value to us.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield. Mr. MUNDT. I believe the Senator misspoke. We cannot, under Public Law 480, make sales to Russia. Those sales must be made to friendly people. We do make sales to Yugoslavia and Poland.

Mr. YOUNG of North Dakota. The Senator is correct. We can and do make sales to the Communist bloc countries.

Mr. MUNDT. That is correct.

Mr. YOUNG of North Dakota. This proposal would do nothing to stop the

sale of grain to Poland or to other Communist bloc countries.

During the past 10 years, starting with the Eisenhower administration, we have given to Yugoslavia, in grants and loans and Public Law 480 sales, \$2.4 billion. There is nothing in the proposal whatever to stop that kind of give away programs. All of that could go on as before.

All that we would accomplish would be to stop the insurance on the sales to Russia and bloc countries and virtually stop all sales. If our Government were handling it, like the other governments do, credit insurance probably would not be necessary. I do not know of any grain dealer in this country who is big enough to handle this kind of transaction alone. If we are to have the sales, we must have this type of insurance. It is absolutely necessary.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield to the Senator from Vermont.

Mr. AIKEN. While we cannot sell under Public Law 480 to Russia and other countries of Eastern Europe, so far as I know there is no law against the Commodity Credit Corporation selling grain in its possession to the countries of Eastern Europe.

It seems to me that we would force our private grain trade out of the business of selling to those countries and force the trade into the hands of the Government, and we would be doing perhaps the very thing we want to do least.

I point out also that we are aware of the strongly rising sentiment against foreign aid in this country. It is very much evidenced by the bill now before the Senate. It has been cut at least \$1¾ billion from the original request.

I think I am correct in saying that the taxpayers of the country would be no more happy with a \$500 million a year payment to producers for raising wheat that we could not sell and did not need than they would be with spending \$500 million for the assistance of some country we did not like too well, or a country we liked, for that matter.

I do not think the taxpayers are going to be any happier with a huge farm subsidy than they are with the foreign aid bill.

So we would either have to pay a subsidy to the growers to keep their heads above water or restrict their growing and cut their acreage down to the bone. We may have to do that, because Western Europe would like to get our wheat market. Western Europe can produce all it wants, and also Eastern Europe can, once importation of wheat from the United States can be restricted.

The Canadians and the Australians have gone out for the business. Australia is making 3-year contracts with the Communist countries. I always thought the Canadians and the Australians were good traders. They always have been with us.

So they are trying to get the business. France and Western Europe could produce all the wheat they needed, provided imports from this country could be restricted and they could get a higher price.

What do we want to do? Do we want to add a billion dollars to farm subsidies and storage costs, shall we permit the sale of the wheat on the world market by the private trade, or do we want the Government to sell the wheat and take the private traders out of business? It is well known that in Canada the Government handles the entire wheat crop. In Poland I am told the Government handles only 20 percent.

Mr. YOUNG of North Dakota. Mr. President, a few years ago everyone in the grain-producing areas wanted to get rid of the surplus. This was true here in Washington. But in recent years there has been a strange development. I do not charge the proponents of this proposal with any such thinking, but it is strange that in the grain-producing areas storage has become a big business. The Government pays \$400 million a year in storage charges. It has become a profitable business. The great majority of the people in my State want to get rid of this costly storage and there are some in some areas who would like to continue the big stockpile of grain so they could continue to receive lucrative storage payments. In some cases this is a bigger business than the growing of grain itself.

In closing my remarks, let me say that for many years we have been giving money to countries all over the world. We have been lending to them, we have been giving them huge grants of money. We have been selling wheat to them for foreign currencies which have little value. Here we have an opportunity to sell a commodity of which we have a great surplus and derive some good from it and get some dollars in return. I think it is worth trying.

Mr. AIKEN. Mr. President, would the Senator say—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I yield 1 minute to the Senator.

Mr. AIKEN. Would the Senator say there is as much profit in storing and handling a bushel of surplus wheat for 5 years, which will not be sold, than the farmer gets for raising it? Of course the storage of surplus commodities has become big business.

Mr. THURMOND. Mr. President, the Senator from South Dakota agreed to yield me 15 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, twice within the past 5 weeks the Senate has considered the question of whether the Export-Import Bank should insure credit sales of agricultural commodities to Communist countries. On motions to table amendments which would have prohibited the Export-Import Bank from insuring such sales, the Senate voted in the negative on November 14 and in the affirmative on November 26. The Senate should welcome this last chance to reconsider the matter on a direct vote.

Let me say at the outset that I oppose the sale of wheat or other commodities to the Soviet Union. Food is a weapon

in the cold war just as much as bullets or bombs. The acquisition of food by the Soviet Union from the United States will relieve the pressures on the Soviet Government and may even make it possible for the Soviets to continue diversion of their own resources from agricultural and food-producing segments of the economy to military preparedness.

Less than 2 weeks ago, we marked the 22d anniversary of that day of infamy when Pearl Harbor was attacked by the Japanese. It was on that day of December 7, 1941, that the United States began to collect its returns from its sales of scrap metals, which were surplus to our needs, to the Japanese in the days prior to World War II. There were few people in the United States in the late 1930's who saw any danger whatsoever in selling scrap metals to the Japanese. These scrap metals were something we had and did not know what to do with. We needed the money and Japan wanted to buy.

I am aware, of course, that the Communist bloc nations can possibly buy wheat and other commodities to meet their minimum needs from other nations in the free world, although I am not convinced that all of the amounts of grain needed by them can be acquired elsewhere. There is a matter of principle involved, however, and two wrongs do not make a right. The United States has assumed the role of leadership in the free world. We profess to stand foursquare against Communist aggression. If we succumb to the temptation to seek profits from the Soviets, despite their announced goal of world domination, many people across the face of the earth will interpret this sale as proof of the fact that the United States is motivated primarily by the quest for the almighty dollar.

The issue before the Senate, however, does not reach so far as to prohibit the sale of agricultural commodities to Communist nations. It is of a much more limited scope. This amendment would merely prohibit an agency of the U.S. Government, financed with the American tax dollars, from insuring payment on credit sales of surplus agricultural commodities to Communist nations.

The Export-Import Bank is an agency of the United States. It is a creature of Congress. It is not private in any sense, nor is it an international entity. Its basic financing comes from funds taken out of the Treasury of the United States, despite the fact that it does charge fees for insuring loans and interest on loans which it makes. It is proposed that the Export-Import Bank, for a small fee, guarantee or insure private lending institutions against the risk that Communist nations including the U.S.S.R., may not pay the debts which would be incurred by the credit sale of surplus wheat or other commodities to such countries.

Mr. President, I do not believe that the American public would willingly underwrite this risk. This is not a loan to some free world brother-in-law based on sentiment, rather than on the credit reliability of the borrower. We are dealing with nations, the governments of

which are sworn to bury us and our freedom. At the very least, the would-be purchasers and borrowers should be treated at arm's length on a purely business basis. And on a purely business basis, Russia, for one, rates as an unacceptable credit risk.

When it comes to making loans to Russia, the United States is more than a two-time loser. On World War I loans extended to Russia, that nation is in default in an amount now exceeding \$621 million. This is by no means the only bad debt we are carrying on the books from the Soviet Union. In addition to the unliquidated amounts owed by Russia to the United States for lend-lease shipments to Russia during World War II, which amounted to approximately \$11 billion, the U.S.S.R. still owes in excess of \$205 million for goods received after World War II for which the Soviet Union agreed to pay. I cannot believe that the American public is willing to insure further credit to any nation which has an unbroken record of default on its financial obligations, and a nation which has used its resources in attempting to subvert our Government rather than paying its honest debts to our Nation.

If the U.S. Government is determined to sell wheat and other agricultural commodities to the Communist nations, then at the very least, those sales should be for cash or financed by the Soviets themselves. They have large quantities of gold which can be converted into dollars with which to purchase such grain as they need.

The Government of the United States is noted for its generosity with funds taken from the taxpayer. It is time for the Congress to recall that it has a responsibility to be just before it is generous, and the responsibility to be just extends first to the taxpayer. It would not be just to require the American taxpayer to accept the risk that its sworn enemy, who is already repeatedly in default on its financial obligations to the U.S. taxpayer, will in this instance pay for credit sales of grain or other commodities.

I sincerely hope that the Senate will concur with the wise action of the House of Representatives in prohibiting the Export-Import Bank from insuring payment on credit sales of agricultural commodities to the Soviet Union and other Communist nations.

Mr. MUNDT. Mr. President, I am now happy to yield to the Senator from Nebraska [Mr. HRUSKA]. First I wish to commend the Senator from South Carolina [Mr. THURMOND] on making a good point, namely, that 25 years ago we were guilty of selling scrap iron to Japan and to our allies at the same time, and on his expressing the hope that America has learned more in the last 25 years, and has developed a foreign policy which has not merely shifted from selling scrap iron to both sides in the war at that time to shipping our precious metal, gold, or the equivalent thereof, our credit, to both sides in the cold war at the same time.

It is a very dismal lesson in education

if we have learned nothing else in a quarter of a century.

I now yield 12 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the Senate has on two previous occasions debated the issue now before us, but on each of them the votes taken were not directly on the merits of the proposal but rather on motions to table.

The first occasion was during debate on the foreign aid authorization bill, when Members of this body, as well as Americans generally, were shocked to learn that under the terms of the transaction the taxpayers of this country would be called upon to insure the credit of the Soviet Union. This was to be accomplished by a guarantee from the Export-Import Bank that the Communists would meet their payments of principal and interest for the purchase of wheat. Such a guarantee would have made a government-to-government transaction out of a sale which was originally described as one in which private traders would be involved, in which credit would be granted by private banks, and in which those private traders would take the risk with the private banks.

This amazing transformation so jarred the Senate that the leadership's effort to table the Mundt amendment was defeated. The Senator from South Dakota subsequently was prevailed upon to withdraw his amendment in order that it could be reported to the Senate by its Banking and Currency Committee. When the bill was reported, there was no vote on its merits, but rather upon another motion to table which prevailed on this second occasion.

There can be little doubt, Mr. President, that the outcome of that second vote was profoundly affected by the sudden and tragic death of President Kennedy. The vote came just 4 days after his assassination, and within 24 hours of his burial. The Nation and its lawmakers were numb with grief. The merits of this measure seemed to be lost in this emotion. Many of the votes which were cast on that day were unquestionably motivated by a sincere and heartfelt desire to evidence the confidence of the people of this Nation in their new President.

The passage of time has not dimmed the memory of the tragedy which befell this Nation on November 22. But together with other circumstances, it has given us the opportunity to reconsider our previous votes. It is well that we have this further and calmer opportunity to consider this measure, this time directly on its merits.

On this third occasion, the language of the Mundt amendment is a part of the foreign aid appropriation bill as passed by the House. Its purpose is to prevent the Export-Import Bank from guaranteeing the payment of any obligation incurred by any Communist country in connection with the purchase of any product, or in any other way from participating in the extension of credit to such Communist country in connection with such purchase. This debate comes on the proposed amendment to strike

that language from the bill. For the first time we are to vote directly on the merits of the proposal.

Mr. President, the amendment to strike should be defeated. The language should be retained.

First of all, for the Export-Import Bank to guarantee any credit extended to a Communist country would be an entirely new venture in its credit insurance program. It has never insured a credit risk for any Communist country or directly extended credit to one, except in the case of Yugoslavia, which both Congress and the Executive have treated in a special category. To allow the Bank at this time to guarantee Soviet Russia's credit would be to establish a new national policy of far-reaching implications.

We should remember that the Eximbank is a Government-chartered institution, the capital fund and operating expenses of which are furnished by tax funds. It is being asked to guarantee payment of Communist countries' obligations because commercial bankers or exporters are not willing to assume the credit risk involved. Those bankers and exporters will not extend their own credit because they regard such transactions as bad risks and the Communists as insecure and unsatisfactory debtors. In this they are fully justified.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. SALTONSTALL. I understood the Senator to say that the exporters considered this a poor credit risk. Am I not correct in saying that because of the Johnson Act the exporters must get the Export-Import Bank behind the transaction; otherwise they cannot make it legally?

Mr. HRUSKA. I did not understand that to be the fact. Perhaps the Senator from Massachusetts has information with which I am not familiar.

Mr. MUNDT. The Attorney General, a native of the great State of Massachusetts, has ruled and declared that that point is not involved.

Mr. HRUSKA. The Attorney General has ruled that this is an extension of credit in normal commercial transactions and therefore not subject to the Johnson Act.

The Soviet Union has demonstrated time and time again that it is not a good credit risk. Its perfidy is not confined to treaties and agreements. In this respect the Soviet Union is at least consistent because it has reneged on almost every loan made to it by the United States during the 20th century.

A recital of these broken pledges could begin with the unpaid obligations stemming from loans made to Russia by the United States during World War I. The outstanding principal on these loans as of June 30 of this year was \$192,601,297.37. Interest due and unpaid as of that date was \$428,819,108.19. The total amount in default is \$621,420,405.56.

The Kremlin today refuses to acknowledge any responsibility for these obligations on the grounds that they were incurred by the czarist government of Russia. Nevertheless, they are obligations

owed by the people of the Soviet Union to the people of this country.

Likewise, there is no excuse for Soviet Russia not paying the balance of some \$205 million still owing by her under agreement to accept and pay for the pipeline lend lease which had been ordered for them and was scheduled to be delivered at the end of the war.

That debt does not take into consideration the approximately \$11 billion shipped to the Soviet Union during World War II under the main body of lend lease. This amount is also outstanding. The last offer to settle this indebtedness was for approximately \$300 million. This was made in 1960. No offer has been made since that time. It is ironically significant that this offer is so close to the amount of money involved in the wheat transaction which has brought this entire matter to national attention.

Now then, Mr. President, the Export-Import Bank Act—12 U.S.C. 635(b)—requires the Bank, among other things, to satisfy itself that the obligor, whether private or government, offers "reasonable assurance of repayment."

In testimony before the Senate Banking and Currency Committee, the President of the Bank declared that its Board of Directors gave adequate consideration to the credit risk involved and found that "reasonable assurance of repayment" existed as required by law in the case of the proposed wheat sale. However, he also testified that the credit would not be forthcoming without his Bank's guarantee. That is, the Bank created and functioning with the taxpayers' funds would undertake a risk that would not be approved by private banks or exporters.

This is borne out by the testimony of three eminent American bankers, who also testified before the committee.

Mr. Alfred W. Barth, executive vice president of the Chase Manhattan Bank testified that the terms of the wheat transaction involve credit factors which commercial banks should not assume.

Mr. August Maffry, senior vice president, international division, Irving Trust Co., New York, N.Y., testified as follows:

Senator DOMINICK. If the Export-Import Bank was not going to guarantee this, what interest rate would you require?

Mr. MAFFRY. We wouldn't get into it at all except on sight terms.

Senator DOMINICK. Cash only?

Mr. MAFFRY. Cash only.

Senator DOMINICK. Why is that? The risk is too much?

Mr. MAFFRY. Yes, sir; not the credit risk, the political risk.

Senator DOMINICK. Political risk. What do you mean by the political risk?

Mr. MAFFRY. The risk that relations between the United States and the U.S.S.R. might deteriorate sharply over the period the credit extended, which would lead to, let us say, a break in relations and a repudiation of any obligations undertaken toward U.S. banks or others.

Mr. John L. O'Halloran, senior vice president, international division, Manufacturers Hanover Trust Co., made the following statement during the hearings:

I repeat that it is utterly inconceivable to me to recommend in any way the extension of private credit in the amount or tenor contemplated by this particular grain sale to Russia. I add, in the case of the obliga-

tion of a Russian entity, the very definite political risks, in my opinion, that were mentioned by one of the previous witnesses, that to me, too, is an important element in our rejection of a financial operation involving the magnitude of money, materials, and of the tenor involved.

While these men were testifying on behalf of the Export-Import guarantee, they actually admitted that they could not expect their shareholders and depositors to assume the risks of such a credit transaction with the Soviet Union despite the fact that the Nation was told when the first official Presidential announcement was made on October 9 that this risk would be assumed by "the grain dealers with private banks."

Frankly if this transaction is not sound enough for the shareholders and depositors of their banks, then why should it be any more sound for the people of this Nation?

It should be clear that the interests of the American taxpayers will not be protected unless the language of the Mundt amendment is retained in the bill.

Unless it is retained, this new policy of extending guarantee of credit to Communist countries, which the Bank favors doing, will be a precedent for future allocations of such guarantees or even direct credit extension to strengthen and rescue the sagging economy of Communist countries.

As the Senator from South Dakota pointed out yesterday, there is a great deal more involved here than the question of whether we shall sell some wheat to Russia. What is involved is a basic and fundamental revision of our policy of trading with the enemy.

The Senator from South Dakota has already pointed out that it would lead not only into other agricultural programs, but into sale of commercial fertilizer and other products. He makes a very telling point when he says that if there is as great deterioration in foreign policy in the next 3 months as there has been in the past 3 months, we can look forward to a modification or repeal of the Johnson Act, which makes it illegal to extend on ordinary commercial terms any credit to any Communist country which has defaulted in the payment of its debts to this country.

Premier Khrushchev has already announced ambitious plans to develop the Russian fertilizer industry in order to bolster his sagging agricultural economy. Is it our purpose to provide, through tax-supported guarantees of credit, the means whereby Soviet agriculture can be supported, its exports widened to compete with our own agricultural exports?

It is a curious thing that the point even needs discussion, because either we have been right in our long-standing and ardent efforts to curb communism by military, economic, and political means, or we have been wrong. If we have been right, we cannot possibly contemplate a reversal of that policy as it pertains to the matter now under discussion.

The opponents of the Mundt amendment cannot have it both ways. They cannot come here, as they have done in the past 2 days, and as they did a week or 2 weeks ago, and cite the Communist

threat as the reason for billions for defense and foreign aid, and then come back a few days later and say, "Oh, but we want to get along with the Communists. Let us give in just a little."

The editorial that was cited by the Senator from South Dakota about one thing leading to another is a striking illustration of what can happen when we give way a little.

Mr. President, this Nation, together with our allies in the free world, is locked in a titanic struggle with forces of international communism led by the Soviet Union and its bloc of satellites. We should bear clearly in mind the arguments of the past 17 years on behalf of this foreign aid program under which we have spent so many billions of our country's resources. Its huge spending has been justified as an investment in freedom from Communist tyranny, as an assurance against its spread, and as an expenditure in pursuit of world peace and security.

The late President, transmitting the foreign aid bill to the Congress last spring, said of our assistance program:

Their aim has been not to gain territories for the United States or support in the United Nations, but to preserve freedom and hope and to prevent tyranny and subversion in dozens of key nations all over the world.

In the course of that April 2 message, President Kennedy recalled the Marshall plan as having made it "possible for the nations of Western Europe, including the United Kingdom, to recover from the devastation of the world's most destructive war, to rebuild military strength, to withstand the expansionist thrust of Stalinist Russia."

Of an earlier episode, the message stated:

History records that our aid programs to Turkey and Greece were the crucial element that enabled Turkey to stand up against heavy-handed Soviet pressures, Greece to put down Communist aggression, and both to recreate stable societies and to move forward in the direction of economic and social growth.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. FULBRIGHT. I was curious about a point the Senator is making to cite reasons for foreign aid. Does it strike the Senator as being curious that practically every Senator who is eager to support the position of the Senator from South Dakota has always opposed foreign aid; therefore, they must not think that the threat of communism is a serious one. They have usually opposed foreign aid.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. I would be willing to make the Senator a little pre-Christmas wager; namely, that I have supported foreign aid three times more often than I have opposed it on rollcall votes.

Mr. FULBRIGHT. Does the Senator mean originally or after the amounts had been reduced by amendments?

Mr. MUNDT. Sometimes I have voted for real economy, which is a practice I heartily recommend to the Senator from

Arkansas. But I have voted for foreign aid in the final action.

Mr. FULBRIGHT. It is one thing to vote for an amendment, and then to scuttle the bill on its final passage. But the Senator has cited a point for foreign aid. It is my impression that the Senator from Nebraska has opposed foreign aid.

Mr. HRUSKA. I have always opposed it.

Mr. FULBRIGHT. Therefore, the Senator has never accepted the argument that there is no real danger from the Communists.

Mr. HRUSKA. That is not the point. Every bill for foreign aid is not necessarily a good bill, any more than every bill for farm aid is necessarily a good farm bill.

The Senator from Oregon [Mr. MORSE] stood in the Chamber for 2 weeks in opposition to some parts of the foreign aid bill. He is not opposed to foreign aid, but he is against the way it is administered. He is opposed to the extravagance and mismanagement involved in it. What he seeks to do is to resolve it to the point where the program will be manageable and more selective, and where it will be really effective. That has been the position of the Senator from Nebraska, and it will continue to be his position.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HRUSKA. Mr. President, I ask for an additional 3 minutes.

Mr. MUNDT. Will the Senator from Rhode Island yield the Senator from Nebraska 3 minutes?

Mr. PASTORE. Will I yield him 3 minutes?

Mr. MUNDT. Yes.

Mr. PASTORE. Why does not the Senator from South Dakota yield from his time?

Mr. MUNDT. I would have to get time from the Senator from Rhode Island.

Mr. PASTORE. Very well; I yield 3 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, this situation was brought up to date because, in his message on April 2, President Kennedy said:

History records that our military and economic assistance to nations on the frontiers of the Communist world * * * has enabled threatened peoples to stay free and independent when they otherwise would have either been overrun by aggressive Communist power or fallen victim of utter chaos, poverty, and despair.

History will record that today our technical assistance and development loans are giving hope where hope was lacking, sparking action where life was static, and stimulating progress around the earth—simultaneously supporting the military security of the free world, helping to erect barriers against the growth of communism where those barriers count the most.

Then he brought into focus the battle and the threat of the present hour as it has been the battle and the threat for many years:

Freedom—all freedom—is threatened by the subtle, varied, and unceasing Communist efforts at subversion in Latin America, Africa, the Middle East, and Asia. And the

prospect for freedom is also endangered or eroded in countries which see no hope—no hope for a better life based on economic progress, education, social justice, and the development of stable institutions. These are the frontiers of freedom which our military and economic aid programs seek to advance; and in so doing they serve our deepest national interest.

The power and the thrust of these declarations lie in the fact that there is here and now the continued threat, activity, and menace of "subtle, varied, and unceasing Communist efforts."

Only yesterday, the Senator from Rhode Island [Mr. PASTORE] read a letter from President Johnson which again pointed up the immediacy and persistence of the threat of Communist penetration and subversion as reason for favorable action on the bill. It is this threat which for years has formed the basis for America's foreign aid program. It still does.

When the Senator from Rhode Island read the letter of President Johnson, he read:

A candid look at the situation in Asia, Africa, and Latin America reveals no diminution in the continuing intensive thrust of Communist penetration and subversion. The interests of the United States are deeply engaged in the effort to establish freedom and progress in those areas.

Mr. President, that is today, and has been for some years, the policy of the United States. It is held aloft, like a beacon of liberty, to the captive nations which have fallen under the curse of communism, to the neutral or uncommitted nations which are threatened by the Red onslaught, and to our allies in the free world who have joined us in this contest against communism.

Those efforts and that Communist dream and determination to dominate the world and hold it in bondage under its own system are now encountering difficulties. The Communist system just is not working, Mr. President. It is bogging down under the weight of its own false premises about human nature and conduct. Certainly in denying its citizens the incentives and the freedoms upon which true and enduring strength is based, it has encountered and generated internal struggles which are slowing down its program of "heavy handed pressures" and "expansionist thrust" and the "subtle, varied and unceasing" efforts to which President Kennedy's message referred.

The new action contemplated by the Export-Import Bank seeks to extend the helping hand of the institution which is endowed by the substance of the U.S. taxpayer to rescue, shore up, and restore the strength and power to the arch enemy of this Nation and of the entire free world.

We should not allow this to happen. We should bear in mind, not only those unceasing Communist efforts and the fact that much of our multibillion-dollar foreign aid program was made necessary by reason thereof—but also that it is the Soviet Union and its satellites which make it necessary for the United States to maintain a defense posture at a cost of over \$1 billion per week for every week of the year for this year, past years, and perhaps even more in future years.

On the one hand this Republic expends on the order of \$50 billions each year to be ready at all times to deal effectively with the military might of the Soviet Union; we spend additional millions each year in foreign aid to combat communism's unceasing efforts to expand into territories not yet under its domination. Now there are indications of a tender solicitude for the internal economic difficulties Russia and her satellites are suffering. We are asking the taxpayers of this Nation, not only to pay for national defense and Mutual Security but also to extend foreign aid of a kind to the Nation which makes that military expenditure and mutual security among our allies imperative. We are being asked to expose our Government-chartered Export-Import Bank to financial risks which no other Bank will undertake. We are being asked to help Russia overcome her own inadequacies, mismanagement, and faulty system thus enabling her to survive and gather strength with which she may continue her grand design to dominate the world.

We are engaged in a tremendous and expensive effort to prevent the subversion and aggression of the Soviets. It is senseless to give aid to the powers which are keeping under captivity the exploited nations of Eastern Europe and are seeking to expand their domain.

We should not help them put new and fresh resources into the struggle against us and against the rest of the free world.

Unless we retain in this bill the language of the Mundt amendment, we shall be cruelly deluding the American people. More bluntly, we shall be double-crossing them by spending their dollars to finance both sides of the cold war.

Mr. MUNDT. Mr. President, I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, my plea today would be that, if possible, we at least defer the guarantee of the proposed loans until a more definite, more inclusive trade policy could be developed. I do not believe that many Senators are satisfied with the situation which confronts us. In the bill before the Senate, it is proposed to appropriate more than \$1 billion for foreign military aid, in addition to the \$50 billion we have appropriated for our own military program. We have six divisions in Western Europe. We have approximately 16,000 military men in Vietnam. We have many men in the military forces in Korea, and others scattered all over the world. Why? To guarantee, or try to guarantee, against Communist aggression.

At the same time, under conditions in which Communist aggression is rendered less probable, at least, because of adverse economic conditions in Soviet Russia, we undertake, at the same time we appropriate money, to strike from the bill a provision which would prohibit the underwriting of a sale of wheat to Russia. In other words, on the one hand, we are appropriating money to try to stop aggression; at the same time, with the other hand, if we pass the bill as it is now written, we will be making aggression more probable. I cannot see how

we can go up hill and down hill at the same time, which is in opposite directions at the same time. I do not believe there are many Members of this fine body who are convinced of the logic, soundness, and commonsense of the position that the proponent of the bill asks us to take. The House amendment prohibiting the underwriting of the loan to Russia should stay in the bill.

I say it does not make sense to do otherwise.

I believe that the best point yet made is that we should not close the door on the possibilities of trade—and, of course, my part of the country is also interested in trade—but that at least, until some consideration is given by our allies and until there is a worldwide review of this problem and the possibilities in connection with it, we should not proceed, through the back door to establish a precedent which will not be an overall policy, but will plague us in the future and will defeat the entire purpose of the foreign aid military program and the rest of the foreign aid program.

I thank the Senator for yielding this time to me.

Mr. MUNDT. Mr. President, I thank the Senator from Mississippi. I wish more Senators had been present to hear his remarks. I labor under the uneasy feeling that more of our colleagues listen to telephone calls from the other end of the avenue, rather than to some of their colleagues.

Mr. HUMPHREY. Mr. President, on this point will the Senator from South Dakota yield 30 seconds to me?

Mr. MUNDT. I yield.

Mr. HUMPHREY. I assure the Senator from South Dakota that no such telephone calls have been made, or need to be made, because the President of the United States trusts the good judgment of the Senate.

Mr. MUNDT. That is fine; and I hope that trust in our good judgment will be vindicated.

Mr. HUMPHREY. It will be.

Mr. MUNDT. If so, we shall show him that we favor a sensible foreign policy, instead of one which would be self-defeating.

Mr. MILLER. Mr. President, will the Senator from South Dakota yield briefly to me?

Mr. MUNDT. I yield.

Mr. MILLER. I point out that all will not be lost if this amendment fails. Some would seem to take the position that if the amendment fails, there will be no possibility of making such sales to the Soviet Union. However, I suggest that in that event the sales could be made for cash.

Recently it was reported in the newspapers that a spokesman for the Soviet trade delegation said that defeat of this measure would mean nothing particularly to them, and stated that they prefer to buy for gold, anyway, and do not wish to pay interest to American bankers.

So let us not be so naive as to believe that if the proposed credit is not made available, the Soviets will not be willing to buy the wheat for gold.

Some have asked how good the credit of the Soviets is. The answer is that

it is just as good as they want it to be. If they do not want it to be any good, it will not be worth a tinker's dam.

I suggest that the experience of the United Nations is a clear demonstration of the fact that the credit of the Soviet Union is worthless. The Soviet Union is the biggest "deadbeat" in all the world, today. It owes the United Nations more than \$4 million. If the Soviet Union would practice fiscal integrity in dealing with the United Nations, I might be a little more impressed by the statements about how good the credit of the Soviet Union is. But until then, I shall not be impressed by arguments to the effect that the Soviet Union has a good credit standing.

Mr. President, I ask unanimous consent that appropriately designated portions of an article from the Evening Star of Saturday, November 30, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEADLOCK SEEN ON U.S. WHEAT SALE TO RUSSIA

Negotiations for the sale of \$250 million worth of wheat to the Soviets appear to be deadlocked.

State Department officials said yesterday they knew of no indication that talks have broken off between the Soviets and American grain dealers, but Sergei A. Borisov, head of the Soviet governmental wheat group, left the United States last Wednesday without giving any sign when he would return.

Senate defeat earlier this week of a bill by Senator Mundt, Republican, of South Dakota, to prohibit the Export-Import Bank from guaranteeing commercial credit to finance the wheat deal left the Soviets unimpressed, diplomatic informants declared. They said Moscow was prepared to pay for the wheat in gold or hard currency anyway.

Mr. JAVITS. Mr. President, will the Senator from Arkansas yield briefly to me?

Mr. FULBRIGHT. I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, this question has been debated before.

I am opposed to the position taken by the distinguished Senator from South Dakota [Mr. MUNDT]. I am opposed to it for the fundamental reason—which I think should be repeated again and again—that if we were to do what the Senator from South Dakota proposes, we would be confusing the position of the United States in the eyes of the rest of the world. In other words, we would be indicating that after a national position has been taken by our country, the President and the Congress would be pulling in opposite directions.

We have indicated that we have made a policy decision for a one-shot wheat deal. After doing that, if we now forbid the Export-Import Bank to participate in it, we shall present to the rest of the world a most confusing picture.

Instead, once we have made the policy decision in regard to making this trade arrangement, we should permit the necessary things to be done, including the issuance of export licenses. Certainly

no grain dealer or bank in the United States would back this deal if the U.S. Government were not behind it. So how ridiculous it would be to take the position, at this time, "But we will not permit the operations of the Export-Import Bank to be used."

Mr. President, it is clear that if this policy decision is to be implemented and made effective, the credit of the United States must be used; and the credit of the United States is just as much a resource of the people of the United States as any other resource they have. So it is obvious that this transaction must be handled in the same way any ordinary business transaction is handled.

Therefore, I cannot favor a proposal to make our Government appear ridiculous in the eyes of the rest of the world—by insisting that our Government say, "Yes, we will participate in this transaction, but we will not permit the Export-Import Bank to have any connection with it."

Instead of that, our Government should demonstrate to the rest of the world that the United States is a great power. Therefore, if this transaction is to be engaged in, all necessary transactions in that connection should be authorized and permitted. That will not mean that we shall be saying we favor the Soviet Union. However, once we have decided to make this deal, we should proceed in connection with it in a way in conformity with the procedure of a dignified and important nation which has reached this national policy decision and conclusion.

Therefore, I hope the Senate will approve what the committee has done.

I thank the Senator from Arkansas for yielding to me.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield briefly to me?

Mr. FULBRIGHT. Mr. President, I yield up to 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. SALTONSTALL. Mr. President, I wish to emphasize the point the Senator from New York has made.

I believe two considerations are involved in connection with the so-called Mundt amendment.

The first is the question of policy—whether we wish to help get rid of our surplus wheat and help stimulate wheat sales, so that the amount of wheat held by the Commodity Credit Corporation can be reduced, and so that the production of wheat can return to a more commercial basis, without subsidies.

We know that Canada and Australia are selling wheat to Russia. Therefore, the question before the Senate is whether the United States will participate in these sales or will be willing to have them confined to other countries.

As a representative of a consumer State, I wish to see this transaction carried out properly. From the banking point of view, it is clear that the Export-Import Bank must participate in the transaction.

Mr. Linder, the Chairman and President of the Export-Import Bank, in-

formed the committee that he checked with a number of large banks of the country, and found that no bank would take this credit risk without having the guarantee of the Export-Import Bank behind it.

Then we considered how the Export-Import Bank handled its transactions. In that connection, I refer now to page 12 of the committee hearings. I understand there are two types of credit which are guaranteed by the Export-Import Bank. The first is the so-called insurance arrangement; and in that connection the Export-Import Bank has organized the Foreign Credit Insurance Association, comprising 75 of the most important insurance companies in the country, other than life insurance companies. That organization will take certain risks; and the Export-Import Bank underwrites all the policy risks. These insurance companies will take 50 percent of the credit risk, and the Export-Import Bank will take 100 percent of the political risk, which, as Mr. Linder pointed out, comprises war, insurrection, civil disturbances, and inconvertibility.

The other procedure of the banks is the underwriting of the loans. That is the commercial transaction which is referred to in the present instance, and which the Senator from New York [Mr. JAVITS] has discussed.

As I understand, there would be allowed 18-month credit, with 25 percent down, and the balance to be paid in 18 months at 5 percent interest. The Export-Import Bank would receive its cut out of the five-eighths of 1 percent of the last 5 percent. In that way the Export-Import Bank would make a certain amount of money and take that risk, if there is a risk in the granting of 18-months' credit with 25 percent down. We were told that in commercial transactions the Soviets and the Communist countries had been excellent in their payments. That statement does not include the Second World War loans and other loans of that character, but it does include the commercial transactions, of which the one about which we are speaking would be one.

The Export-Import Bank, through Mr. Linder, its President, has told us that the losses of the Bank have been infinitesimal, or using his word, "minimal," over its history. On guarantees of insurance risks they have lost only between \$1 million and \$8 million over all their history. In the guarantees I believe they have lost even less than that. So from the point of the Export-Import Bank, the Bank that is financed by our taxpayers, the risk in the transaction would be infinitesimal. From the point of view of policy, in getting rid of our surplus wheat, knowing that other countries are doing the same thing, we would make it possible for us to carry forward with the same sort of loans and the same sort of sales that other countries are making.

As a question of policy, it seems to me that the proposed course is the wise one to take. From the point of view of the Government, through the Export-Import Bank, the risk would be very small, while the policy of getting rid of our surplus wheat is worthwhile. For that reason I

shall support the chairman of the subcommittee, the senior Senator from Rhode Island [Mr. PASTORE], in his endeavor to eliminate the language that was sent to the Senate by the House and deleted by the committee.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I ask unanimous consent that the Chair recognize the Senator from Ohio [Mr. LAUSCHE] for a formal function, and that the time necessary for its performance be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY MEMBERS OF THE CABINET OF THE GOVERNMENT OF KENYA

Mr. LAUSCHE. Mr. President, today there are present in the Senate Chamber three distinguished members of the Cabinet of the Government of Kenya. As Senators know, Kenya achieved its independence from Britain a week ago today and, earlier this week, became the 113th member of the United Nations.

Kenya, a dynamic new nation, is the 34th nation to emerge in Africa. Our guests are with us while on a visit to the United States. We are glad to have them here. I am sure that they will find a will on the part of the people of our country to see this new independent nation live, thrive, and grow among the family of nations of the world.

It is now my distinct pleasure to present to the Senate the Honorable Oginga Odinga, Minister of Home Affairs; the Honorable Joseph Murumbi, Minister of State at the Prime Minister's Office; the Honorable Charles Njonjo, Attorney General; and the Honorable Njoroge Mungai, Minister of Health and Housing.

The gentlemen are members of the Cabinet of Kenya; they are present in the Chamber.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The Chair welcomes our distinguished visitors to the Senate, and hopes that their visit will prove interesting and rewarding.

[Applause, Senators rising.]

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair, in order to provide Senators an opportunity to greet our distinguished visitors, and that the time necessary for the recess be not charged to either side of the debate on the pending business.

There being no objection, at 5 o'clock and 15 minutes p.m., the Senate took a recess subject to the call of the Chair.

At 5 o'clock and 18 minutes p.m. the Senate reassembled on being called to order by the Presiding Officer (Mr. INOUYE in the chair.)

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

It is very difficult to find anything new to say about the issue, since it has been argued at great length on two occasions, and has been the subject of an exhaustive study by the Committee on Banking and Currency. The Senate voted on the question once. As we know, the vote was 57 to 35 against the inclusion of the provision in the bill.

I do not know that there is anything new to be said on the subject. I can only say that I believe it is a good business deal. The Russians have a commodity that we need. We have a commodity that they need. That is the basic consideration. The transaction would result in benefits to our railroads that would haul the wheat and our ships that would transport it, and would give employment in many different parts of our economy.

The argument has been made that the Russians have been in default. For one reason or another, many countries have been in default on various war debts of one kind or another. The other day I mentioned that the French, who were our good and strong allies, are in default to the extent of about \$4 billion on their First World War debt. Those are utterly irrelevant considerations to the question at hand.

One point that has not been emphasized that I believe we might at least consider is that there are great political implications involved in the measure. First, the President of the United States under our constitutional system is given the primary responsibility for the conduct of our foreign policy. Both President Kennedy and President Johnson have urged the Senate not to adopt the so-called Mundt amendment as it was first presented, that is, to delete the amendment that was inserted in the bill by the House.

That is the first consideration. The Secretary of State, as an agent of the President, is very strongly of this view.

It seems to me that a basic assumption on the part of those who are so strongly opposed to the utilization of the Export-Import Bank is that the cold war as it has existed during the past 15 or 16 years is an unalterable relationship and that it should continue. Sometimes I am almost disposed to believe they would be disappointed if it did not continue.

Really, there are political possibilities of opening up some trade with the Communist bloc. I cannot guarantee that this would result in any relaxation of the cold war or in any improvement in our political relations. Nevertheless, there have been changes already within the Communist bloc, not only with respect to Russia. In fact, the changes perhaps have been less with respect to Russia, although I believe the test ban treaty was a significant step forward.

The satellite countries or affiliated countries have also been involved, such as Poland, and Yugoslavia, which is a Communist country but not a member of Comecon nor a satellite country.

I believe that the possibility of change for the better in our relations with the Soviet Union and other Communist countries is the overriding consideration. I do not look solely at the dollars, as someone who supports the position of the

Senator from South Dakota might. I believe that is an important consideration. I believe it is probably less important than the political potential of resuming some degree of trade with these countries. When I say "countries" I refer to all the Eastern European countries as well as the Soviet Union.

I believe this has already been stated forcefully by the Senator from Rhode Island. The fact that Russia must come to this country or to any other country and ask for wheat—it has already gone to Canada and concluded an agreement—is in itself one of the most significant developments of the past 15 years, demonstrating clearly the inadequacy of their system, especially as applied to agriculture. I cannot believe this will be lost upon the people of the Communist world or the people of the free world.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. I thank the distinguished chairman of the Committee on Foreign Relations for yielding.

Is it not a fact that the terms which are being suggested, through the Export-Import Bank, are the commercial terms ordinarily and customarily used in the grain trade on a worldwide basis?

Mr. FULBRIGHT. The Senator is correct. Also, the other countries which have been selling to the Soviet Union have utilized a similar method of insurance by a Government agency.

Mr. MONRONEY. This is a universal practice. If one wishes to enter into world trade one must abide by world trade rules and sell at world trade prices and on world trade terms.

There is a point I should like to make, which I believe needs to be emphasized. If we sell to all the other countries of the world, and take from many of them local currency which has no convertible value, and extend to many others credit when credit is known to be weak, if we should demand cash for one deal in trading with a world power, although we may violently disagree with its political system, would we not be discriminating—at least, would they not feel we were discriminating—against them by demanding terms and conditions of sale we do not demand from any other country?

Mr. FULBRIGHT. The Senator is correct. Such a country would be insulted if it were offered terms different from those offered other countries.

In the case of Poland, which is a Communist country, a member of Comecon, we have been selling wheat under Public Law 480, which is, in effect and for all practical purposes, a grant.

Mr. MONRONEY. For nonconvertible currency.

Mr. FULBRIGHT. For nonconvertible local currency.

Mr. MONRONEY. That is correct.

Mr. FULBRIGHT. There was no great outcry about that. There is no good reason why this particular aspect of the trade, that is, the insurance, should be rejected.

Even though the insurance is provided, because there has been a demand for certain additional concessions with respect to shipping, which entails a higher price, that in itself may prevent the deal

from going through. There is no assurance that the wheat will be sold, even though the Export-Import Bank is given the right suggested.

Mr. MONRONEY. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. Is it not a fact that, if the Export-Import Bank guarantees the money which will be furnished by the American banks, this money will then in turn go into the Commodity Credit Corporation for the wheat?

Mr. FULBRIGHT. That is correct.

Mr. MONRONEY. We would be guaranteeing the funds which we would be receiving for the wheat sale and in the process removing the wheat from storage, reducing thereby an expense that might go on for the next 10 years if we do not find some market for the wheat.

Mr. FULBRIGHT. The Senator is quite correct.

I heard on the radio the other day, and saw on television, some interviews of some farmers from the State of Oklahoma. Everyone who was asked about this wheat deal said he was in favor of it.

Mr. MONRONEY. We are realistic in regard to trade.

Mr. FULBRIGHT. I believe the Senator is correct. There is no question about that.

There is a good reason why a Government organization should be brought into these large international transactions, because if any difficulty should arise the Government would be in a better position, through its diplomatic representatives, to make whatever representations were necessary.

We are not the only country doing this. As has been said, all other major trading nations utilize this device.

Mr. MONRONEY. Remarks have been made, as this question has been discussed in the past, to the effect that wheat is a strategic item. I should like to ask the distinguished chairman of the Committee on Foreign Relations if he has any doubt in his mind, whether the Russians buy the wheat from us or do not buy the wheat from us, about the army of Russia being fed. The civilians may go hungry, but the army will have whatever wheat it needs, at whatever cost to the civilian population of Russia.

Mr. FULBRIGHT. I have no doubt about that at all. I believe even the difficulty with the Russian people will be of a temporary nature. They will have less than they would like to have, but it will not be too serious.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FULBRIGHT. Will the Senator yield me 3 more minutes?

Mr. PASTORE. I yield 3 more minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 3 additional minutes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. The observation should be made that the language does not apply solely to grain.

Mr. FULBRIGHT. The Senator is correct.

Mr. HUMPHREY. It applies to all products.

Mr. FULBRIGHT. That is correct.

Mr. HUMPHREY. We ought to make it crystal clear that we are not talking solely about wheat deals.

Secondly, today we heard the Senator from Missouri [Mr. SYMINGTON] discuss the dangers facing this Nation because of the loss of gold, the deficit in the balance of payments.

I wonder if my colleague realizes that one of the reasons why there has been a flight of capital from the United States—and there has been some—is that American business firms and American merchant enterprises have established offices, factories and warehouses in Europe in order to do business with Eastern European countries.

Mr. FULBRIGHT. Yes.

Mr. HUMPHREY. Thereby getting the guarantees of the British, French, Germans, and Dutch upon their sales.

On the one hand we hear impatient speeches about our balance-of-payments situation, while on the other hand an amendment is offered to us which would further drive out of this country the capital needed to establish plants, in order to do business in the Eastern part of Europe.

I point out also to the Senator that we are not talking about only Russia. The Senator made this point, as other Senators have. We are talking about a trade policy which may affect the whole area of the world.

Mr. FULBRIGHT. That is correct.

Mr. HUMPHREY. Each one of these Eastern European states is a separate nation. As has been indicated to us time and time again in recent months, those nations are beginning to show more independence. They are beginning to show a desire to pull away somewhat from the Russians. It seems to me we ought to have a foreign policy which expresses that particular situation.

Mr. FULBRIGHT. The Senator is correct.

Mr. FULBRIGHT. Mr. President, the cold war is a major fact of life in the age in which we live. We do have to deal with the clashing interests of the Soviet Union and of the United States. We will do so far more effectively if we deal with these clashing interests in terms of our own national interest, which is the security of the United States and the free world, and not in terms of a struggle to the death between crusading ideologies.

The logic of the bill proposed by the Senator from South Dakota is that sooner or later either our type of society or the Soviet Union's type of society must be destroyed—either through warfare, subversion, or internal collapse. This logic allows no room for the possibility of change through a long process of evolution. Yet it is precisely this possibility which I see as the hope, perhaps the only hope, of avoiding the irreparable catastrophe of thermonuclear war.

There have been evolutionary changes in the Soviet Union in recent years. We

are uncertain as to their exact extent and significance, but we know that they have occurred and that they continue. Changes are also occurring in the Soviet satellites in Eastern Europe, and we are all familiar with the ideological split between the Soviet Union and Communist China. It seems to me clearly in the interests of the United States to encourage these changes. We need to be pragmatic rather than dogmatic. From our point of view, Khrushchev is a lesser evil than Stalin; Tito is less objectionable than Mao Tse-tung.

If we adopt the policy embodied in the bill, we will be moving against the trend in every other important free world country. Our NATO allies are conducting a growing trade in peaceful goods with the Soviet bloc. This is not necessarily a reason for us to do likewise, but it is entitled to considerable weight. Trade between Europe and the Soviet bloc has tripled over the past decade. It is clear that our virtual embargo on nonstrategic trade with Communist countries has become self-defeating. It does not deny the Communist countries the goods which they wish to buy, but only assures that they will buy them from sources other than the United States. Our insistence on an unrealistic boycott has made it impossible for us to coordinate the trade policies of the Western nations and has thus enabled the Soviet Union to use bilateral trade as a political weapon to divide the free nations and advance its own ambitions.

The issue involved in this bill is whether we are to regard the Soviet Union as an implacable enemy for all time and for all purposes, or whether we are to regard it as a powerful and dangerous antagonist whom we can and should influence in various ways with a view toward inducing it to abandon its aggressive designs. If our objective is the former, that is, a policy of permanent and relentless hostility, then the bill offered by the Senator from South Dakota is appropriate. If, on the other hand, our objective is to try through patient and persistent effort to create a safer and more peaceful world, then it is incumbent upon us to seek practical means of reducing the areas of conflict between the United States and the Soviet Union. Trade is one of many ways in which we can reduce animosities and inject an element of normalcy in our relations with the Communist nations. The proposal before the Senate would preclude the possibility of any substantial trade.

One of the most significant aspects of this entire situation is that the Russians, after nearly half a century of tinkering with agriculture, are now forced to admit that their system has failed. What more dramatic testimonial to failure of their system could we want than to have them come to us to buy a basic consumer commodity like wheat. I do not think that this admission has escaped the attention of many citizens of Russia and Eastern European countries. When an item as basic as bread is involved, the significance of the current negotiations with the Soviet traders cannot be ignored by the nations on the sidelines.

On the other hand, if we pass this bill and the deal falls through—as it likely will—we will have handed the Russians a tailor-made propaganda weapon. From the founding of the Nation we have been world traders. The term “Yankee Trader” is known throughout the world. To lay down conditions which bring about the rejection of a deal as advantageous to us as this can only furnish proof to the Russian people that we are not really willing to engage in peaceful competition and let economics determine which system is the superior one. At the same time we will lend great weight to the Russian argument that the satellites must maintain strong, unbending ties to the Soviet Union and that the West has no concern for their problems. It will be difficult to refute such an argument if the Congress makes it impossible for the wheat deal to be concluded.

Above all, I urge Senators to remember that the Export-Import Bank's sole reason for existence is to promote our foreign trade. Its purpose is not to aid foreign concerns or governments but American exporters—and the American economy. When the Bank agreed to guarantee short-term credits for purchase of this wheat it was assisting our wheat farmers and wheat exporters—not the Russian Government. All the Bank plans to do is provide nothing more than the same assistance available in the normal course of our export trade.

The proposed wheat deal is another step toward normalizing United States-Russian relations and is an appropriate development to follow the test ban treaty. Adoption of this proposal, which will almost assuredly result in canceling the wheat sale, will be a step backward from ratification of that treaty. I hope that the Senate has not had such a change of heart in only 2 months' time.

The PRESIDING OFFICER. Who yields time?

Mr. MUNDT. Mr. President, I yield myself 2 minutes.

I congratulate the Senator from Minnesota for the fact that, with his customary candor and consistency, he stands as the first speaker on that side of the argument who has made it clear, as I have tried to make it clear time and time again, that this is not a wheat amendment. It is not a wheat provision in any way shape or form. It deals with every exportable product. It is a question of foreign trade policy. One could just as well call it a “booze” amendment, or a “fertilizer” amendment, or an “alcohol” amendment, or a “machine tool” amendment. It covers all products. I do not know what one must do to make that point clear and to have it reported accurately around the country.

Mr. President, I ask unanimous consent to place in the RECORD again the exact language of the proposal adopted by the House, so that all editors may read it.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

None of the funds provided herein shall be used by the Export-Import Bank to either

guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national.

Amendment to restrict American public credit to Communist countries as adopted by the House of Representatives—it is the language contained in the so-called Mundt bill.

Mr. MUNDT. We cannot get that fact reported by the columnists, Mr. President and by many Capitol Hill reporters. They talk about a "wheat amendment." In the spirit of Christmas, I offer my friends in the press gallery, which is well filled at this hour, a beautiful Black Hills spruce Christmas tree, with candles studded with solid gold nuggets from the gold mines of South Dakota—the world's best—if they can find the word "wheat" in the amendment or in S. 2310, the so-called Mundt bill. If they cannot, let them not call it a "wheat amendment." Call it a "booze" amendment. Call it a "Red trade" amendment. Call it—

Mr. HUMPHREY. Or a "spruce" amendment.

Mr. MUNDT. They may call it anything they want to give it an accurate rather than a distorted definition. I stand ready to deliver a Christmas tree with gold studded candles on it if anyone can find the word "wheat" in this proposal. If it is not there, why not label it correctly, instead of involving the wheat farmers? This is not a matter of farmers and wheat sales, it is a matter of foreign policy.

Mr. President, I yield 7 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, it is now suggested that we change the policy that has been in existence for about 15 years. I assume that, if there were a change in international relations, and especially with Red Russia, we might be justified in changing our policy. I cannot dismiss from my mind that in the 1940's those men who were in charge of our Government and the Congress when they declared that we shall not sell to Communist countries our merchandise and our grains and other commodities at subsidized prices, knew what they were doing.

As I stated a moment ago, we contemplate changing a policy. The change would be justified only if there had been a genuine change in the attitude of Red Russia. I respectfully submit that no such change has occurred.

Mr. George Kennan has been in our Foreign Service. He is constantly being quoted as the authority of what our course should be in our international relations. Some time ago he made a statement. He wanted to describe the thinking of Russia, so he devised this statement, putting it into the mind of and upon the tongue of a Communist Russian. This is what he said, speaking as a Russian would speak:

We despise you—

That is, despise the United States—

We consider that you should be swept from the earth as governments, and physically destroyed as individuals. We reserve the right

in our private, if not in our official, capacities to do what we can to bring this about; to revile you publicly, to do everything within our power to detach your own people from their loyalty to you and their confidence in you, to subvert your Armed Forces and to work for your downfall in favor of the Communist dictatorship. But since we are not strong enough to destroy you today, since an interval must unfortunately elapse before we can give you the coup de grace * * * we want you during this interval to trade with us. An outrageous demand? Perhaps. But you will accept it, nevertheless. You will accept it because you are not free agents; because you are slaves to your own capitalist appetites, because when profit is involved, you have no pride, no principles, no honor. In the blindness that characterizes declining and perishing classes, you will compete with one another for our favor.

Those words are true. They are true when applied to the Senate today. The gold has been dangled before our eyes. We are moved by it. We are going to change our policy.

Let us now take a look at what the situation was when the Russians originally proposed to make the purchase. The statement was made, "We will pay in gold or cash." When that statement was published throughout the land, it was generally accepted as sound. But then came the change, and they said, "We will not pay you in gold or cash. We want to buy on credit, and we want the taxpayers of the United States to guarantee that we will pay the bill."

That is quite a substantial change from the original proposal, and what we contemplated doing.

But if Kennan went too far, may I quote for the moment Khrushchev? Khrushchev said not long ago:

When the gold of the Russian and of the Communist nations is dangled before the eyes of the capitalist United States, they will abandon all principle.

I wonder if, back in Moscow, Khrushchev is not, in solitude, listening to and watching what we are doing. Is he ready to speak out and say, "The prognostication which I made turns out to be true?"

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUSCHE. May I have 3 more minutes?

Mr. MUNDT. Mr. President, may I inquire as to the status of the time?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUNDT. May I inquire about the status of the time?

The PRESIDING OFFICER. The Senator from South Dakota has no time.

Mr. MUNDT. I yield the Senator from Ohio 3 minutes on the bill.

Mr. LAUSCHE. Mr. President, we have friends throughout the world, and we have enemies who are seeking to destroy us.

I wonder what impact this will have on our friends. Will they have awakened in their minds a doubt about the need to be loyal to the cause of the free people of the world, or will they say to themselves, "What difference does it make if we stand shoulder to shoulder with the United States or if we threaten to destroy them?"

If they ask that question, the answer will have to be: "It makes no difference;

they will help us even though we oppose them."

I do not want to become a party to that type of debased and mean moral approach to my responsibilities as a citizen of the United States.

We have a gold problem, but it is rather strange that only at this late date have we begun to discuss it on the floor of the Senate. It has been with us for 5 years. Now, instead of trying to solve it in an honorable way, we are about to adopt the abject policy of grabbing for gold, and in that way confirming the declarations of Kennan and of Khrushchev and other Communists in the world. I cannot vote to support that type of conduct.

Mr. MUNDT. I yield 2 minutes on the bill to the Senator from Florida.

Mr. HOLLAND. The Senator from Ohio has spoken feelingly about the attitude of our friends toward us for doing this. I wonder whether the Senator knows how our friends will square this course—assuming that we take the suggested course—with our course in forbidding the importation of food into Cuba, a short distance from our own country, and in stopping any ships of friendly nations that take food to Cuba from coming to our ports. I wonder how the Senator thinks they will square that part of our foreign policy with this proposed part of it.

Mr. LAUSCHE. I am glad the Senator asked that question. I ask Senators, "If you sell to Russia, why not sell to Cuba? What morality justifies a sale to Red Russia and not to China and not to Cuba?"

I assume that as Senators we possess some sense of the rational. We cannot differentiate between the propositions. If today we sell to Red Russia, when more gold is needed, are we going to sell to Cuba, and are we going to sell to Red China?

I believe the question answers itself.

Mr. MUNDT. I yield 2 minutes on the bill to the Senator from Oregon.

Mr. MORSE. Mr. President, it will take me only 2 minutes to state my reasons for supporting the Mundt proposal. I do not care how we slice this subsidy melon, the taste is the same, and all the language that has been used cannot conceal the fact that we are dealing with a subsidy that is not in the public interest. We are dealing with a subsidy of American taxpayers' money which belongs to them, and that money is in the Export-Import Bank.

When we are through shaking this proposal down, that is what we have.

A group of grain brokers and dealers own the wheat, and they want to sell it to Russia. They have made certain arrangements with banks to be of some help to them in order to sell the grain to Russia. They cannot consummate the deal unless they can get a taxpayer subsidy through the Export-Import Bank. The Export-Import Bank is going to pick up the check in case Russia does not pay.

I believe this to be bad public policy. This is not contrary to the statement of the Senator from New York [Mr. JAVITS], about an ordinary commercial transaction. Are we to establish a dangerous precedent of using American tax-

payer money in the Export-Import Bank to subsidize private interests which will sell the grain to Russia, and if Russia does not make good have the American taxpayer pick up the check through the Export-Import Bank? That is what it all shakes down to. That is not good public policy.

The American grain dealers and American banks are not entitled to that kind of subsidy. If we want to make this a direct transaction, why is it not proposed that the American Government deal directly with Russia and itself sell the grain directly to Russia? Of course that would not let some people make a shakedown profit without the risk of a loss.

We should support the Mundt proposal, and prevent this kind of precedent from being established.

I do not trust Russia. We have no way of knowing that she is not going to find various reasons for claiming she does not have to pay. How do we know she will not claim that the grain is dirty or wormy, or that the quality is not up to standard, and therefore will not pay?

If that happens, we shall have a long battle. In the meantime our taxpayers will be taken for another ride under the foreign aid program. In my judgment, they are already being cheated out of hundreds of millions of dollars. I do not think we ought to add to their loss.

Mr. PASTORE. I yield 4 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I shall deal hardly at all with the merits of the Mundt proposal, because in my opinion the Senator from Rhode Island and the Senator from Arkansas have so completely and utterly demolished the arguments of the proponents that to add to their arguments would be mere redundancy.

It is difficult for me, in trying to be openminded, to understand how intelligent, mature men can support this kind of proposal. In my judgment not one valid argument in support of the Mundt proposal has been advanced in the Senate in the two long sessions during which it has been under discussion.

I turn to another point. There are those who believe it is popular in this country to shake one's fist at Russia and to raise a so-called moral issue and to beat his breast and wrap the American flag around him and say, "We are departing from American traditions and morals if we permit the wheat to be sold to Russia."

That is not true. Here is incontrovertible evidence. I ask unanimous consent that an article entitled "The Wheat Sale and the Public," written by Elmo Roper, the well-known polling expert, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WHEAT SALE AND THE PUBLIC
(By Elmo Roper)

Seldom has the path to peaceful coexistence been paved with rubles. Rarely has the United States been offered, all at once, the chance to advance the cold war thaw, feed the hungry, get rid of a burdensome

surplus, improve its balance of international payments, and make a profit besides. This is the opportunity implicit in the President's recent decision to permit the sale of American surplus wheat to Russia. It is generally agreed that the consummation of the wheat deal would benefit U.S. farmers, grain traders, and shippers, as well as reduce this country's embarrassment of surplus wheat riches to something close to a normal reserve. If the Russians pay in gold, and even if they don't, the impact on the U.S. balance of payments is bound to be beneficial. And if it has any political impact at all, it must inevitably be in the direction of reducing United States-Soviet tensions. Yet the wheat sale has been called highly controversial and a political liability. Is it?

To find out, Saturday Review commissioned Elmo Roper and Associates to do a succinct, to-the-point survey of a cross-section of Americans just 10 days after the sale was authorized. Had Americans heard about the wheat deal? Did they approve or disapprove of it? The answers to the first question show a remarkably high degree of awareness of the wheat-to-Russia decision, as compared with other issues on which the public has been polled in the past. This was the question:

"Have you read or heard about President Kennedy's decision to permit the sale of surplus American wheat to Russia? Yes, 85 percent; no, 15 percent.

More men than women (91 percent) * * * had heard about the President's decision. Not surprisingly, awareness was highest in the Middle West:

Awareness of the President's decision in major regions	
	Percent
Middle West.....	92
Far West.....	89
Northeast.....	88
South.....	75

Those who had not heard about the wheat decision were then told about it, and everyone was then asked:

"How do you feel about this—do you approve or disapprove of President Kennedy's decision to sell surplus wheat to Russia?"

	Percent
Approve.....	47
Disapprove.....	27
Don't know.....	26

The weight of decided opinion, then, clearly shows the most people think the President did the right thing. This is true in all areas of the country, although the vote was rather close in the South:

Attitudes toward the President's decision in major regions

NORTHEAST	
	Percent
Approve.....	55
Disapprove.....	20
Don't know.....	25
MIDWEST	
Approve.....	48
Disapprove.....	27
Don't know.....	25
FAR WEST	
Approve.....	48
Disapprove.....	29
Don't know.....	23
SOUTH	
Approve.....	38
Disapprove.....	32
Don't know.....	30

In view of the way the wheat deal is stacked, it is not surprising to find this much approval for it. Any number of motives—or combination of motives—might have pushed people toward approval. Humanitarians would not want to deny food

to the hungry; worriers about American food surpluses would be glad to see a burden removed; fiscal conservatives, among others, would heave a sigh of relief about incoming payments from abroad; those in fields directly benefiting would be glad to see business turned their way; and, last but hardly least, those hopeful of world peace and tranquillity would be happy to see the harsh accents of military threats replaced with the gentler language of commerce.

It is the opposition—and, even more, the indecision—that warrants comment. Perhaps, for some, the whole thing simply came too fast, and they hadn't had time to think out the issues involved in this new form of economic coexistence. But if there are so many reasons for approving of the wheat sale, it is hard to discover more than two major reasons for withholding that approval. The first, that the sale benefits the Russian economy and thus strengthens the Soviet Government, can be disposed of easily. For the simple fact is that if we had turned the Russians down, they would have gone elsewhere for the wheat. The effect on the Russian political and economic structure would be the same, whether the wheat came from the United States or from other sources. However sincerely held, this view is simply mistaken. The other reason can only be a deep, firmly held conviction that it is evil to sell to the enemy. Although no actual evil effects could be proved, and although, as in all trading situations, we would gain as much as the other side, there are undoubtedly many people to whom the idea of trading with the Russians is morally repulsive—or at least disturbing enough to suspend their judgment between pro and con.

The belief that selling to the Russians is inherently wrong is closely akin to the belief that trying to get along with the Russians is inherently wrong, and that efforts to reduce world tensions are evidence of weak-willed liberalism if not national betrayal. This is primitive moral thinking suitable to a black-and-white world. But the real world is inescapably gray; we have to get along with our enemies—or destroy them. Exploring the path to peaceful coexistence requires not selling out or giving in, but a patient search for ways to reduce the areas of tension and hostility and enlarge the areas of agreement and accommodation between East and West. The alternative is an ultimate military confrontation in which the loser would inevitably be the human race.

Mr. CLARK. Mr. President, the article shows incontrovertibly that, with the exception of the South, practically 90 percent of the American people were aware of President Kennedy's decision to permit the wheat to be sold to Russia. In the South, 75 percent of the people were aware of it.

Forty-seven percent of all the people approved it; 27 percent disapproved it; and 26 percent stated they did not know.

The attitude of approval is in the plurality in all areas of the country, including the South.

I also ask unanimous consent that the Harris survey, printed in the Philadelphia Inquirer of Monday, December 16, may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HARRIS SURVEY
(By Louis Harris)

In negotiating with the Russians, President Johnson will be limited by American public opinion as well as by considerations of national security.

In a survey of a carefully selected cross section of this country, the people indicate in sharp and unmistakable terms just what the limits of public opinion are as to U.S. dealings with the Russians.

The American public favors widespread cultural exchanges with the Russians, is willing to sell food and consumer goods, is clearly opposed to joint scientific projects and overwhelmingly rejects any deals which would remotely enhance Soviet military capabilities.

First, people were asked how they felt about the exchange of musicians and artists and also about exchanging students:

Cultural exchange with Russia

	Nation total
Exchange of artists and musicians: (percent)	
Favor.....	71
Oppose.....	21
Not sure.....	8
Exchange of students:	
Favor.....	69
Oppose.....	24
Not sure.....	7

Such cultural exchanges, of course, have been going on for some time. Van Cliburn, the American pianist, grew to world fame by winning a music contest in Russia, while the Bolshoi Ballet has been a huge success in performances in this country. It is apparent that the American people would like to see a wider exchange of cultural missions and students of many kinds.

Next, the cross section was asked about selling wheat and other food to Russia and also about selling U.S. automobiles to the Soviets:

Food and autos

	Nation total
Selling wheat and other food: (percent)	
Favor.....	54
Oppose.....	36
Not sure.....	10
Selling U.S. autos:	
Favor.....	51
Oppose.....	39
Not sure.....	10

A proposed deal on wheat, of course, was being negotiated with Russia before President Kennedy's death. It is evident the American people favored this idea and also would be willing to extend the sale to a broad range of food products—although not in such overwhelming numbers as on the cultural question.

To some degree Americans are motivated by a humanitarian desire to see other peoples fed, regardless of their politics. But there is also a strong strain of practical business advantages to the United States in these answers. This is especially true in the case of selling American automobiles to Russia.

In another series of questions, people were asked about exchanging engineers and scientists with Russia and joining with the Soviets to place a man on the moon:

Soviet cooperation

	Nation total
Sending man to the moon jointly: percent	
Favor.....	35
Oppose.....	54
Not sure.....	11
Exchanging scientists and engineers:	
Favor.....	34
Oppose.....	54
Not sure.....	12

It is at the point of sharing jointly in scientific information or cooperative ventures into space that the American people firmly draw the line. Implicit, of course, is the fear that such action would be aiding and abetting Russian military power.

This deep concern over not helping Russia in any way that could lead to military assistance emerged most sharply of all when peo-

ple were asked how they felt about selling the Russians such items as machine tools and computers or letting them have U.S. jet planes for commercial use:

Strategic equipment

	Nation total
Selling machine tools and computers: percent	
Favor.....	22
Oppose.....	67
Not sure.....	11
Selling jet planes for commercial use:	
Favor.....	16
Oppose.....	76
Not sure.....	8

In the direct area of selling Russians equipment that might have a military application, the American people are adamant and nearly unanimous in opposition.

The idea of taking cautious first steps toward peace has recently taken hold in this country, but the lesson of dealing from strength at all times with the Russians is indelibly stamped on American public opinion.

Mr. CLARK. Mr. President, the article is written by Louis Harris, a political pollster who has done some accurate work for me in the past, as well as for many other Members of the Senate. He shows that with respect to the sale of food to Russia, 54 percent of the American people approve, 36 percent disapprove; and 10 percent are not sure.

The other parts of the Harris report are interesting, because they indicate a large majority supporting cultural exchanges with Russia, a majority opposing a joint trip to the moon, and an even larger majority opposing the sale of strategic equipment to Russia.

On the wheat sale the preponderance is clear. Fifty-four percent approve. I have no doubt that even those who would like to demagog this issue will get little comfort from the people of the Nation.

I yield back the remainder of my time.

Mr. MORSE. Mr. President, before the Senator yields back the remainder of his time, will he yield for a question?

Mr. CLARK. I yield.

Mr. MORSE. Did the poll show that the people voted on the question of whether or not the Export-Import Bank should guarantee the sale?

Mr. CLARK. It did not. In my opinion that is a totally irrelevant and immaterial issue. It has nothing whatever to do with this issue. The Senator knows full well that the Export-Import amendment is put into the bill to kill it, and for no other purpose.

Mr. MORSE. The Senator's speech is irrelevant to the issue, and a complete nonsequitur.

Mr. PASTORE. Mr. President, for the enlightenment of the Senate, I understand that the next speaker will be the Senator from South Dakota, who will address himself to the amendment for a short time; then we shall expect to hear from the distinguished majority leader. Then I shall be ready to yield back whatever time remains to me, in the hope that we might vote on the amendment by 5 minutes past 6.

The PRESIDING OFFICER. How much time does the Senator from South Dakota yield to himself?

Mr. MUNDT. I yield myself 5 minutes. Unless there are other Senators pressing for time on this side of the question after

I conclude I shall be glad to yield back the remainder of my time.

If I were speaking like Alice in Wonderland, I would say that the debate becomes "astonishinger and astonishinger." We now hear from the Senator from Pennsylvania [Mr. CLARK] that we have been tying in the Export-Import Bank in order to kill the bill.

We are trying to keep the Export-Import Bank out. We are not opposing private transactions. We are merely trying to shift off the backs of American taxpayers' liability for making good the credit if the Soviet Union should default in its obligations.

I wish to address my remarks tonight to the group of Senators who have been, at one time or other, on both sides of this issue. I should like you members of the "swing shift" to listen to some of the testimony before the Committee on Banking and Currency, which held careful hearings and took the testimony of many outstanding witnesses. One such piece of testimony is the testimony of Dr. G. Warren Nutter, chairman of the James Wilson Department of Economics, of the University of Virginia. He said:

Granting special concessions to the Communist countries would indeed be sadly ironic. We have given foreign aid to various countries in order to inhibit the spread of communism. This foreign aid has helped to bring about a deficit in our current international balance of payments. We would then propose to correct that deficit by giving aid to Communist countries.

I think anyone could catch on to the irony of that.

The next statement was made by Dr. Gerald L. Steibel, of the Research Institute of America, New York, N.Y., and appears on page 72 of the hearings on S. 2310, with respect to participation by the Export-Import Bank. Dr. Steibel, by the way, was alluded to in comment by the Senator from New York [Mr. JAVITS], who opposes what we are trying to do. But he had the fine, charitable impulse to say that Dr. Steibel "is a member of a very distinguished organization in New York headed by Leo Cherne and Carl Hubbard. I know them both very well, Mr. Chairman, and I am very glad to introduce the witness to the committee."

So we have in Dr. Steibel a high authority, respected by both sides of the argument. Let me quote a paragraph or two from the testimony of Dr. Steibel:

When we grant credits—and the fact that the Export-Import Bank merely insures someone else's credit is not significant—we are announcing our faith in the debtor. In ordinary commercial transactions, this faith generally extends only to the prospect for repayment; in this transaction it inevitably goes much further: We are saying that we are expressing faith in their system, because we are doing more than selling them commodities; we are aiding them to ride out some very fundamental internal troubles.

That is a point which the Senator from Nebraska [Mr. HRUSKA] and I tried to make earlier in the debate, but which no Senator on the other side of the question has yet answered: "Why should we be bailing out the Communists just when their devilish, unworkable system is beginning to crack up in the

cold war? Why should we be helping them at all?" No one has yet answered that question. I will let Dr. Steibel make the point:

I realize that this is not necessarily the purpose of the administration. Nevertheless, that is its effect. It will be so read by other nations, and it is so being read by them now.

It is, indeed, since we know that the business of extending credit to Soviet Russia and the extension of trade by our allies to Red Russia has increased tremendously and will increase further if we insist on encouraging it in the form of Americans seeking the business in the form of American guarantees.

Dr. Steibel continues:

A business deal with the Communists for cash is, in my opinion, bad enough. Nevertheless it does maintain at least some reserve on the part of this country. It informs the Communists that we are dealing with them, to be sure, but that we are doing so gingerly, that we do not trust them.

A cash deal also is a warning that we are not committing ourselves to a next time. It gives them at least some incentive to behave better in all the ways in which we would like them to behave better. And it gives us the option of stopping the flow of goods quickly when that becomes necessary.

But when we underwrite credit we are going far beyond that. For one thing, we are opening ourselves to the possibility that we may be asked to take Communist goods as repayment for the credit. It would be entirely within the Communist character to say to us after the 18 months are up, "Sorry, we don't have the cash, but we'll be glad to give you oil, or chrome, or something else that will cut the heart out of your own allies' markets."

And what would that do to the balance-of-payments argument for the wheat deal? We would deserve that fate if it turned out to be ours.

That is about all I have to say, Mr. President except to correct a few inadvertent errors which have crept into the debate, and which should be corrected for the RECORD.

For example, when the Senator from New York [Mr. JAVITS] summed up that there is no difference between permitting the Export-Import Bank to get into these transactions and permitting private trade to conduct them, I point out that there is all the difference in the world between public credit and private credit. It is the difference between the old American adage that he who makes a profit takes the risk, and the new kind of concept that he who makes the profit takes no risk at all. To me, that is the big difference. Private operators make a guaranteed profit—the general taxpayers assume the entire risk. Clearly this comes under the heading of "nice work—if you can get it."

I should like also to correct the Senator from Massachusetts [Mr. SALTONSTALL], who said that the sole reason for voting to strike out the provision is that the Export-Import Bank has had no loss; therefore, the credit of the Communists must be good. The one thing wrong with that argument is that the Export-Import Bank has never in its history lent a dime to the Communists. So there is no relevancy to that argument. There is no connection between the statement that the record of the Export-

Import Bank attributes good credit to the Communists, and the statement that a full moon means a low price for cheese.

The Senator from Oklahoma [Mr. MONRONEY] pointed out, inadvertently, I assume, that the money would go from the Export-Import Bank to a commercial bank, and then be paid by a commercial bank to the Commodity Credit Corporation. Not so. The money goes to a commercial bank, and is given or loaned to the grain dealers of America, who will buy the wheat anywhere they can buy it and can make the biggest profit. If they have some of their own wheat to sell, they can make a big profit. The Bank loans the money to the Communists; they pay it to the exporters. John Q. Taxpayer takes all the risk.

Two other points: I hope this issue will be decided, as it should be, tonight, and that we may be confronted early next year with a Presidential message with respect to some kind of program of trade and aid which will be consistent and positive in nature. I renew my recommendation that America should call a free world trade aid conference for that purpose. I have received several telephone calls from Members of the House of Representatives today, pointing out that if the Senate eliminates the House action on a yea-and-nay vote, the House will insist that the bill be delayed until January. It will not back down. House Members have made up their minds and those voting "aye" the other day are unlikely to vote "nay" tomorrow.

To those who are insistent upon early action on a foreign aid bill, I point out the difficulties that will be confronted in conference if the Senate eliminates the House provision against extending public credit to our enemies.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Rhode Island.

Mr. PASTORE. Does the Senator believe that he can frighten a majority of the Members of this body because two or three Members of the other body have called him to express their opinion?

Mr. MUNDT. The number of calls which the Senator has stated is entirely wrong. But I am not easily frightened, and I do not believe the Senator from Rhode Island is.

Mr. PASTORE. I am never frightened.

Mr. MUNDT. I am pointing out as a matter of practical reality that we are meeting on the day before it is expected that Congress will adjourn for this session. This is something that might be considered now before we find it out when we go to conference.

When a majority of 48 makes up its mind on a yea-and-nay vote in the House, the House does not often change its mind.

Finally, I hope that this issue if it comes back again—and in some way or other it is certain to come back again, regardless of our action—we will recognize that we are talking about a policy of putting the good faith and the money of American citizens behind the credit of Communist countries, for purchase of any supplies whatsoever, wherever they

decide to purchase them, in the United States of America or elsewhere.

This is not a wheat proposal or a farm commodity proposal or a grain proposal, any more than it is a proposal in regard to any other product the Soviets have indicated they want to buy—and we know they want to buy alcohol, chemical supplies, fertilizer, fertilizer factories, machine tools, trucks and who can speculate what else.

So the question is what policy we want to establish vis-a-vis our adversary in the cold war, whose devastating attacks make it necessary for us to pass, today, a bill providing appropriations of more than \$3 billion.

Do we want to make it possible, by granting our credit, for our adversary to launch an expanded attack at our expense? I think not. Therefore, I urge the rejection of the committee amendment.

Mr. President, I yield back the remainder of the time available to me.

Mr. PASTORE. Mr. President, what time remains available?

The PRESIDING OFFICER. On the amendment, the Senator from Rhode Island has 20 minutes remaining; and the Senator from South Dakota has no time remaining.

On the bill, the Senator from South Dakota has 3 minutes remaining, and the Senator from Rhode Island has 17 minutes remaining.

Mr. PASTORE. Mr. President, the only remaining speaker on our side is the distinguished majority leader [Mr. MANSFIELD]. He will be entitled to use whatever portion of the remaining 20 minutes he wishes to use. When he concludes his remarks, we shall yield back the remainder of the time available to our side, and shall be ready to have the vote taken.

Mr. President, at this time I yield to the distinguished majority leader whatever time he wishes to use.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I have heard the word "practicality" used. I think we should also consider the principle involved. Senators have spoken of "gold dangling." By the same token, I think we should also consider the balance of payments.

Although this proposal is not, per se, a wheat proposal, nevertheless, wheat is at the heart and center of this matter. In addition, although it was not a clear-cut issue, several weeks ago the Senate voted, by a vote of 57 to 36, to reject the proposal advanced by the distinguished Senator from South Dakota.

Furthermore, that proposal was reported unfavorably—by a one-vote margin—from the Banking and Currency Committee.

The arguments which held then also hold today.

Many Members speak consistently, at least on the platforms, about the cost to the Government of the huge stored agricultural commodity surpluses we have. I think we must remember that in the field of fiscal responsibility, if this sale of 4 million metric tons goes through, it will bring to the United States, in gold,

or dollars, approximately \$250 million, and to that extent it will reduce the gold drain.

Second, it will reduce our surplus of wheat now being held by the Commodity Credit Corporation, and in so doing it will reduce the cost to the Government and will be a saving to the taxpayers of the United States. Incidentally, in the agricultural appropriation bill passed on September 30, approximately \$2,700 million was voted for supports of various kinds.

Furthermore, in my opinion, if this transaction goes through, it will firm up the price of wheat, which under present estimates, if no legislation is passed, will be somewhere in the vicinity of \$1.15 to \$1.25 a bushel next year, compared to this year's price of approximately \$2.

Furthermore, this wheat will not be diverted to Cuba or to Communist China under the terms of the export licenses to be issued.

The wheat sale will be known to the Soviet people through the Voice of America broadcasts, and it has been made known to the Soviet people.

In terms of the effect domestically, it will bring added employment to American shipping, longshoremen, and railroad workers, as well as to grain traders, millers, and farmers.

It will be conducted through the normal competitive channels of the private American grain trade.

Last of all, up to now the Soviet Union and Eastern European nations have been obtaining American wheat indirectly, by purchases from West Germany, France, and other countries, by purchasing flour made from American wheat and sold to those countries in ever-increasing quantities. In other words, if there is a possibility of a deal with the Soviet Union, and if it does not go through, we shall still sell wheat to Western Europe, and that wheat will find its way into the hands of the Soviets.

Mr. President, on November 15, the late President of the United States, John F. Kennedy, wrote me a letter relative to the Mundt proposal being considered at that time. I now read the letter to the Senate:

THE WHITE HOUSE,
Washington, D.C. November 15, 1963.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: I write to urge in the strongest terms that the Senate should not approve any amendment to the foreign aid bill which would prohibit the use of credit guarantees for trade with any Communist country. It would work against the interest of the United States in crippling the American exporter in fair competition with other free countries for nonstrategic trade with the Communist world. The principle of such an amendment would jeopardize not only the projected sale of wheat to the Soviet Union, but possible sales of important quantities of other products like tobacco, corn, and cotton.

If this amendment is adopted, it is not primarily Communists who will be damaged, but the American producer and exporter. The Export-Import Bank exists to promote the trade of the United States. Its professional judgment is that the state credit of the Soviet Union and of other Communist countries is sufficiently reliable to justify a guarantee in support of U.S. exports. The

judgment of the Bank on such matters of credit over a 29-year period has been outstanding—less than 1 percent is now in default on total credits of \$11 billion—and in this process the earnings of the Bank after all expenses have been over \$800 million.

It is anticipated that the proposed sale of wheat will be made for payment in gold or dollars, either in cash or on short-term credit not exceeding 18 months. The reinforcement of our balance-of-payments position which such a sale will provide is obvious. The Export-Import Bank will, as usual, charge an appropriate fee for any guarantee.

In other words, it will make money on the transaction.

I read further from the letter from the late President of the United States:

The proposed sale of wheat still depends upon negotiations between the Soviet Government and private traders.

That still holds good, today.

The remainder of the letter from the late President of the United States, John F. Kennedy, reads as follows:

The availability of credit on normal commercial terms may be a central element in this negotiation. The interests of the United States will be advanced by a successful completion of this sale. The American farmer, the American exporter, the American shipping and railroad industry, and the American citizen concerned with the strength of our balance-of-payments position should all support this proposed sale. The guarantee of the Export-Import Bank is a normal element in a transaction of this sort, and to prevent such a guarantee by a legislative rider at this delicate stage of negotiations would be an act against the national interest.

Sincerely,

JOHN F. KENNEDY.

So President Kennedy said he thought this was in the best interests of the United States; and at that time he urged very strongly that the proposal advanced by the Senator from South Dakota not be accepted.

Mr. President, under date of today, I have received from the President of the United States, Lyndon B. Johnson, the following letter:

THE WHITE HOUSE,
Washington, December 19, 1963.

Hon. MIKE MANSFIELD,
U.S. Senate.

DEAR SENATOR MANSFIELD: I strongly urge that the Senate reject the amendment attached to the foreign aid appropriation bill which would prevent any use of the facilities of the Export-Import Bank in connection with all trade with Communist countries.

The Senate has before refused to accept this proposal, and it is even less justified now than before. In one of the last letters of his life, President Kennedy pointed out plainly that the Export-Import Bank has a record of judgment which fully justifies confidence in its ability to use its powers wisely, with a net gain to the taxpayer; that the Bank exists precisely for the purpose of assisting American traders in their legitimate commercial interests; and that the proposed restriction would jeopardize not only the possible sale of wheat to the Soviet Union but sales of other important commodities, like tobacco, corn, and cotton, to a number of Communist countries.

The present amendment is doubly objectionable in that it aims to insert a major shift of policy, already rejected by the Senate, into an appropriation bill.

I can assure the Senate, which knows me well, that this administration proposes to protect the interest of the United States in

all matters affecting trade with Communist countries. We will support such trade only where it is clearly in our interest to do so. In my judgment sales of wheat and other farm commodities, on reasonable terms, are now plainly in the national interest of the United States—good for our farmers and exporters, good for our shipping and railroad industry, good for our balance of payments, and good for the country. It makes no sense to jeopardize these possible gains by this legislative rider.

Sincerely,

LYNDON B. JOHNSON.

Mr. President, I heard rumors last night and today to the effect that the other body indicated there would be no foreign aid bill if the proposal of the Senator from Rhode Island were agreed to.

I should like to say to this body that we are independent in what we do in this Chamber. I, for one, do not intend to be subjected to threats of any kind.

Either the principle is good or it is not. If it is good, and if Senators agree with their own consciences, and with two Presidents of the United States, they will uphold the position of the Senator from Rhode Island.

RETURN OF SENATOR ENGLE

Mr. PASTORE. Mr. President, we are honored by being afforded the opportunity to welcome back a most distinguished Member of this body who has been convalescing for the past several weeks.

If Senators will be in attention, he will be escorted into the Chamber by the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], and by the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. In the meantime I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

At this point, Mr. ENGLE was escorted into the Chamber by Mr. MANSFIELD and Mr. DIRKSEN.

[Applause, Senators rising.]

Mr. PASTORE. Mr. President, I yield back the remainder of my time. I believe the Senate is ready for a vote.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now expired.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Is it correct that an affirmative vote would sustain the Appropriations Committee in its deletion?

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN. Mr. President, may we have the question stated clearly?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT (when his name was called). On this vote I have a pair with the senior Senator from Kansas [Mr. CARLSON]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The pair of the Senator from Kansas [Mr. CARLSON] has been previously announced.

The result was announced—yeas 52, nays 32, as follows:

[No. 282 Leg.]

YEAS—52

Aiken	Hayden	Moss
Bartlett	Humphrey	Muskie
Bayh	Inouye	Nelson
Bible	Javits	Neuberger
Boggs	Johnston	Pastore
Brewster	Jordan, N.C.	Pell
Burdick	Keating	Randolph
Byrd, W. Va.	Kennedy	Ribicoff
Cannon	Kuchel	Saltonstall
Case	Long, La.	Sparkman
Church	Mansfield	Symington
Clark	McCarthy	Talmadge
Ellender	McGee	Williams, N.J.
Engle	McGovern	Yarborough
Fulbright	McIntyre	Young, N. Dak.
Gruening	McNamara	Young, Ohio
Hart	Metcalf	
Hartke	Monroney	

NAYS—32

Beall	Goldwater	Mundt
Byrd, Va.	Hickenlooper	Prouty
Cooper	Holland	Proxmire
Cotton	Hruska	Robertson
Curtis	Jackson	Russell
Dirksen	Jordan, Idaho	Smathers
Dodd	Lausche	Smith
Douglas	McClellan	Stennis
Edmondson	Mechem	Thurmond
Ervin	Miller	Williams, Del.
Fong	Morse	

NOT VOTING—16

Allott	Gore	Scott
Anderson	Hill	Simpson
Bennett	Long, Mo.	Tower
Carlson	Magnuson	Walters
Dominick	Morton	
Eastland	Pearson	

So the committee amendment to strike out lines 9 through 16, on page 17, was agreed to.

Mr. PASTORE. Mr. President, I do not believe there are any further amendments to be offered. I believe the bill is ready for a third reading. I have nothing further to say.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 9499) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. PASTORE. I yield back my remaining time.

Mr. DIRKSEN. I yield back my remaining time.

The PRESIDING OFFICER. All time has been used or yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential Inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], and the

Senator from Kentucky [Mr. MORTON] would each vote "yea."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 60, nays 25, as follows:

[No. 283 Leg.]

YEAS—60

Alken	Fulbright	Metcalf
Bartlett	Gruening	Monroney
Bayh	Hart	Moss
Beall	Hartke	Muskie
Boggs	Hayden	Nelson
Brewster	Hickenlooper	Neuberger
Burdick	Holland	Pastore
Byrd, W. Va.	Humphrey	Pell
Cannon	Inouye	Prouty
Case	Jackson	Proxmire
Church	Javits	Randolph
Clark	Keating	Ribicoff
Cooper	Kennedy	Saltonstall
Cotton	Kuchel	Smathers
Dirksen	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McGee	Symington
Edmondson	McGovern	Williams, N.J.
Engle	McIntyre	Yarborough
Fong	McNamara	Young, Ohio

NAYS—25

Bennett	Jordan, N.C.	Robertson
Bible	Jordan, Idaho	Russell
Byrd, Va.	Lausche	Stennis
Curtis	Long, La.	Talmadge
Ellender	McClellan	Thurmond
Ervin	Mechem	Williams, Del.
Goldwater	Miller	Young, N. Dak.
Hruska	Morse	
Johnston	Mundt	

NOT VOTING—15

Allott	Gore	Pearson
Anderson	Hill	Scott
Carlson	Long, Mo.	Simpson
Dominick	Magnuson	Tower
Eastland	Morton	Walters

So the bill (H.R. 9499) was passed.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. ELLENDER, Mr. MCCLELLAN, Mr. HOLLAND, Mr. PASTORE, Mr. MONRONEY, Mr. MCGEE, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, I am about to move that the Senate proceed to the consideration of Calendar No. 791, Senate bill 792, but before doing so, I would be remiss in my obligations if I did not pay my respects to the distinguished senior Senator from Rhode Island [Mr. PASTORE], who is so modest that he will not remain in the Chamber to hear what I have to say.

He has rendered a magnificent service. He has shown that he has the ability to advance lucid arguments. He has been willing to listen to the arguments of the other side. He has conducted himself as a Senator should conduct himself. I think the Appropriations Committee is extremely fortunate to have on it a man of the character, integrity, and ability of the Senator who handled the bill on the floor, and I think the Senate is extremely fortunate to have among its membership a man of the standing of that son of St. Patrick, John "O'Pastore."

Mr. FULBRIGHT. Mr. President, I wish to associate myself with what the majority leader said about the Senator from Rhode Island [Mr. PASTORE]. He did a magnificent job in handling a very difficult bill.

Mr. HUMPHREY. Mr. President, many people at home and abroad may be concerned by the action of Congress in cutting the President's request for funds under the Foreign Assistance Act for fiscal year 1964.

Fears may be arising in the developing countries that the United States is drastically cutting back its aid effort on their behalf and may be preparing to pull out. Our allies and friends among the industrialized countries may feel we are downgrading free world security interests and abdicating from major joint responsibilities for assisting the development efforts of the developing countries. The Communist countries may conclude that we are lessening our aid efforts and thereby affording them greater opportunities for economic and political penetration.

I believe it is important that we make a clear record that congressional action on this year's aid bill means none of these things. The United States is not pulling out of the aid business. We are not narrowing our concept of our interests or our responsibilities or of the role that foreign aid must play in meeting them.

The sharp congressional cutback in the President's aid request is dismaying. It will have a restrictive effect this year on our ability to meet many important rising needs of developing countries. Some priorities will have to be postponed until next year. The stimulus our aid programs give to economic growth and social development will be less than it could and should be. But we will not fail to meet any of our basic commitments or discontinue support and participation in any of the programs we have intended to continue.

In spite of these cuts in the budget, the level of U.S. aid flows will remain substantial, both in new commitments and in expenditures against old commitments.

Under the Foreign Assistance Act in fiscal year 1963, obligations or commitments for economic aid totaled \$2.5 billion. The amounts voted for fiscal year 1964 by the House and proposed by the Senate Appropriations Committee for economic aid, including carryover of unused authority from last year, are \$2 and \$2.5 billion, respectively. Thus the possible cut in actual commitment levels under the Foreign Assistance Act from last year, depending on final Senate-House compromise, is considerably less than may be commonly believed.

More important, however, is to look at the U.S. aid program as a whole. The Foreign Assistance Act is one portion. But the United States also makes a major effort in assisting developing countries through the food-for-peace program—Public Law 480—the Export-Import Bank, the Peace Corps, and our subscriptions to the World Bank and its affiliate, the International Development Association.

Thus while the level of new commitments under the Foreign Assistance Act will be affected by congressional action at this time, as I have indicated commitments under these other programs are likely to rise in fiscal year 1964, offsetting substantially or entirely any reduction in commitments necessitated by the appropriation cut under the Foreign Assistance Act.

Total combined commitments of economic aid to developing countries under the Foreign Assistance Act, Public Law 480, the Eximbank and the Peace Corps in fiscal year 1963 amounted to some \$4.6 billion. A projected \$300 million increase in Eximbank lending in fiscal year 1964 and smaller increases in the other programs may well enable the United States to maintain the \$4.6 billion total commitment level. In addition to that we have recently agreed with other industrialized countries on a replenishment of resources for the International Development Association to which we will contribute about 40 percent of a \$750 million total over the next several years.

Finally, it should be borne in mind that the actual benefit from aid comes when the committed funds are actually expended and the imported equipment or supplies or technicians arrive in the developing country for use. Since some types of projects take longer to be carried out—that is, reach the expenditure stage—than others, variations in commitment levels may not show up in expenditures. And in the critical expenditure measure of aid flow, U.S. aid has been rising for the past several years and is expected to continue to rise this year and next as a result of past commitments. Total net expenditures for all U.S. economic aid programs were \$2.8 billion in calendar year 1960, reached \$3.5 billion in 1961, \$3.6 billion in 1962, and should soon reach the \$4 billion level.

Summing up, the sharp cuts in the appropriations under the Foreign Assistance Act are damaging. They will impede the President's ability to meet many important rising needs of the developing countries and to meet problems with the effectiveness and decisiveness that our great country should display. Timetables will have to be stretched out where delay is politically risky, economically wasteful, or socially harmful. Flexibility to meet emergencies is minimal.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 7332. An act granting the consent of Congress to a further supplemental com-

pact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes;

H.R. 8853. An act to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs;

H.R. 9436. An act to amend the act of September 2, 1958, to establish a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended; and

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Acting President pro tempore:

H.R. 9413. An act to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy; and

H.J. Res. 778. Joint resolution to provide for participation by the Government of the United States in the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law, and authorizing appropriations therefor.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H.R. 7332. An act granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes;

H.R. 9436. An act to amend the act of September 2, 1958, to establish a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended; to the Committee on the Judiciary; and

H.R. 8853. An act to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs; to the Committee on Public Works.

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes; to the Committee on Appropriations.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONSTRUCTION OF SPACE SIMULATOR AT JET PROPULSION LABORATORY, PASADENA, CALIF.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of a 10-foot space simulator at the Jet Propulsion Laboratory, Pasadena, Calif.; to the Committee on Aeronautical and Space Sciences.

conomic future of 21,000 persons is as much a concern of this body as the sale of an acre of real estate or the switch of a contract dollar from one project to another.

I am happy to advise the House, Mr. Speaker, after consulting yesterday with the distinguished gentleman from Georgia, chairman of the Committee on Armed Services, that the chairman has assured me that officials of the Defense Department will be directed to make their figures on these alleged economies involved in the Rome Air Material Area and the Schenectady Army Depot available to members of the committee immediately after the opening of the next session. As a result of the chairman's action I hope we will get a good look at these figures next month. I have my doubts, based on the information I have, that the economies they claim can be supported by their figures. But we are going to make a very careful check of those figures.

What is also important is that this action may set a precedent that will require the Department in the future to present such computations to Congress before rather than after the closings have been announced and the damage has been done. That is what we need if we are going to have a chance to do our job. It makes little sense to put additional money into ARA and APW programs and then have the Defense Department, without prior consultation with any other agency of government, and without consultation with this Congress, create unemployment situations which will eat up all of those funds and require the appropriation of even greater sums.

I hope the Defense Department will soon come to recognize its obligations in this regard and will in the future consult more carefully with the appropriate committees of Congress.

CORRECTION OF ROLL CALL

Mr. TOLLEFSON. Mr. Speaker, on rollcall No. 209 I was recorded as having voted "yea." That is an error. I should have been recorded as having voted "no." I ask unanimous consent that the Record be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

WEST VIRGINIA CHRISTMAS TREE

(Mr. HECHLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER. Mr. Speaker, I would like to extend a cordial invitation to my colleagues and friends to attend the lighting of the Christmas tree at the Ellipse on Sunday, December 22, at 5:30 p.m. by President Johnson.

This is a West Virginia Christmas tree, and it stands proud and tall in this centennial year commemorating President Lincoln's proclamation granting statehood to West Virginia in 1863.

A few days ago when Members of the other body eulogized our late President,

West Virginia's Senator ROBERT C. BYRD stated:

Now the period of mourning is drawing to a close, and the happy season of Christmas will be upon us. In the broad ellipse at the foot of the Washington Mounment there stands a 75-foot Christmas tree sent from the mountain forests of West Virginia. I like to think that this tree is symbolic of the place that John F. Kennedy will keep in our hearts, a place forever green and bright with the joy of the spirit.

RECESS

The SPEAKER. The Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 2 o'clock and 19 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 7 o'clock and 36 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9499. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. ELLENDER, Mr. McCLELLAN, Mr. HOLLAND, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH to be the conferees on the part of the Senate.

The message also announced that the President pro tempore of the Senate, pursuant to title 10, United States Code, section 9355(a), had designated Mr. SYMINGTON, Mr. McGEE, and Mr. HRUSKA to be members of the Board of Visitors to the U.S. Air Force Academy.

FOREIGN AID APPROPRIATION BILL

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that it be in order to consider the conference report on H.R. 9499 at any time after it had been reported.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, this applies only to this one bill; is that correct?

The SPEAKER. That is correct.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill H.R. 9499, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? The Chair hears none, and appoints the following conferees: Messrs. PASSMAN, GARY, NATCHER, RHODES of Arizona, and FORD.

RECESS

The SPEAKER. The Chair declares a short recess, subject to the call of the Chair.

Accordingly (at 7 o'clock and 38 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 7 o'clock and 45 minutes p.m.

The SPEAKER. For what purpose does the gentleman from Louisiana rise?

FOREIGN AID APPROPRIATIONS BILL, 1964

Mr. PASSMAN. Mr. Speaker, I know that the Members are interested in the foreign aid bill and when it will be reported back to the House. It appears that we cannot have a conference before tomorrow. As far as the conferees on the part of the House are concerned they will be available from 6 a.m. on. When the Members of the other body can meet with us we will be available. I can assure you that after we start our conference we will bring the bill back to you as quickly as it can be done.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. As I understand it, the other body having asked for the conference, if the conferees are able to agree on a conference report then we would get the papers first.

Mr. PASSMAN. That is my understanding.

Mr. HALLECK. I would like to ask the gentleman if he will see to it that he gets the papers and brings them back over here first?

Mr. PASSMAN. I am a little quick on the draw.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, in the event that the conference report is acted on first in the House, as we now understand it will be, would a motion to recommit with instructions be in order?

The SPEAKER. A proper motion would be.

Mr. HALLECK. Of course, it would have to be germane. If so, a motion to recommit to insist on the wheat amendment, I take it, would be in order.

The SPEAKER. The Chair, of course, would pass upon any question at the appropriate time.

Mr. HALLECK. I thank the Chair.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. NELSEN (at the request of Mr. HALLECK), for today and the balance of this week, on account of personal matters involving his family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 60 minutes, on the first day of the next session.

Mr. RYAN of New York, for 15 minutes, today; to revise and extend his remarks, and include extraneous matter.

Mr. CURTIN, for 15 minutes, today.

Mr. ROBERTS of Alabama, for 10 minutes, today.

Mr. SMITH of Iowa, for 30 minutes, today; and to revise and extend his remarks and include tables.

Mr. STRATTON, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. ROGERS of Colorado and to include an article.

Mr. GARMATZ.

Mr. HALEY and to include extraneous matter.

Mr. BROOKS and to include an article.

Mr. DORN and to include extraneous matter.

Mr. WHITENER in three instances and to include extraneous matter.

Mr. MULTER in three instances and to include extraneous matter, in one instance notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$697.50.

Mr. RYAN of New York in three instances and to include extraneous matter.

Mr. LINDSAY in three instances and to include extraneous matter.

Mr. MCCLORY.

Mr. ASHBROOK.

Mr. HORTON in two instances and to include extraneous matter.

Mr. GROSS and to include a letter.

Mr. SLACK and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 579. An act for the relief of Cilka Elizabeth Ingrova; to the Committee on Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1289. An act for the relief of Maria Mereghetti (Mother Benedetta) and Annunziata Colombo (Mother Cherubina);

H.R. 2513. An act to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin, and for other purposes;

H.R. 2985. An act to amend section 1391 of title 28 of the United States Code, relating to venue generally;

H.R. 4062. An act to amend the act authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande to authorize the Secretary of the Interior to also market power generated at Amistad Dam on the Rio Grande;

H.R. 7044. An act to amend Public Law 193, 83d Congress, relating to the Corregidor-Bataan Memorial Commission;

H.R. 9413. An act to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy; and

H.J. Res. 778. Joint resolution to provide for participation by the Government of the United States in the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law, and authorizing appropriations therefor.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 212. An act for the relief of Yoo Sel Chun;

S. 697. An act for the relief of Misako Moriya;

S. 966. An act for the relief of Yukio Iseri;

S. 1097. An act for the relief of Despina J. Santos;

S. 1129. An act for the relief of Thomas B. Bollers and Earlene Bollers;

S. 1172. An act to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518;

S. 1269. An act for the relief of the Arizona Milling Co. of Phoenix, Ariz.;

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas;

S. 1516. An act for the relief of Ana Murgel;

S. 1670. An act for the relief of Dulcie Ann Steinhart Sherlock;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1756. An act to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under this act;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 2228. An act to change the requirements for the annual meeting date for national banks;

S. 2275. An act to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; and

S. 2364. An act to provide that the Commission on the disposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 48 minutes p.m.) the House adjourned until tomorrow, Friday, December 20, 1963, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1459. A letter from the Comptroller General of the United States, transmitting a report on high costs pertaining to sites for selected low-rent housing projects in the area administered by the San Francisco Regional Office of the Public Housing Administration, Housing and Home Finance Agency; to the Committee on Government Operations.

1460. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order entered under the authority contained in section 13(b) as well as a list of the persons involved, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

1461. A letter from the Comptroller General of the United States, transmitting a report on the excessive price paid by the Department of the Navy for propulsion reduction gears purchased from Westinghouse Electric Corp., Sunnydale, Calif; to the Committee on Government Operations.

1462. A letter from the Comptroller General of the United States, transmitting a report on unnecessary costs being incurred as a result of the Navy's refusal to accept the standardized officers' dress shoes agreed upon by the Army, Air Force, and Marine Corps; to the Committee on Government Operations.

1463. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 3 of the National Aeronautics and Space Administration Authorization Act for the fiscal year 1963 (76 Stat. 382, 383); to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee of Conference. S. 1007. A bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes; without amendment (Rept. No. 1063). Ordered to be printed.

Mr. FEIGHAN: Committee on the Judiciary. S. 102. An act to provide for additional commissioners of the U.S. Court of Claims; with amendment (Rept. No. 1064). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Interior and Insular Affairs. H.R. 3396. A bill to authorize the addition of lands to Morristown National Historical Park in the State of New Jersey, and for other purposes; with amendment (Rept. No. 1065). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H.R. 7351. A bill to amend the Public Works Acceleration Act to increase the authorization for appropriations under that act, and for other purposes; without

88TH CONGRESS
1ST SESSION

H. R. 9499

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 1963

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1964, namely:

6 TITLE I—FOREIGN AID (MUTUAL SECURITY)

7 FUNDS APPROPRIATED TO THE PRESIDENT

8 For expenses necessary to enable the President to carry
9 out the provisions of the Foreign Assistance Act of 1961,
10 as amended, to remain available until June 30, 1964, unless
11 otherwise specified herein, as follows:

ECONOMIC ASSISTANCE

Development grants: For expenses authorized by section 212, ~~(1)~~ ~~\$150,000,000~~ *\$175,000,000*.

American schools and hospitals abroad: For expenses authorized by section 214 (c) , \$14,300,000.

6 American hospitals ~~(2)~~ *and schools* abroad (special for-
7 eign currency program) : For expenses authorized by section
8 214 (c) ~~(3)~~ *for hospital construction*, \$4,700,000 to be used
9 to purchase foreign currencies which the Treasury Depart-
10 ment determines to be excess to the normal requirements
11 of the United States.

12 International organizations and programs: For expenses
13 authorized by section 302, ~~(4)~~ ~~\$100,000,000~~ *\$130,000,000*.

Supporting assistance: For expenses authorized by section 402, ~~(5)\$300,000,000~~ *\$380,000,000*.

16 Contingency fund: For expenses authorized by section
17 451 (a) , ~~(6)~~\$50,000,000 *\$32,900,000*.

Inter-American social and economic cooperation pro-
gram: For expenses authorized by section 2 of the ~~(7)~~ Act of
September 8, 1960 *Latin American Development Act* (74
Stat. 870), as amended, ~~(8)~~ ~~\$100,000,000~~ ~~\$180,000,000~~, to
remain available until expended.

23 Alliance for Progress, development loans: For assistance
24 authorized by section 252, ~~(9)~~~~\$350,000,000~~ \$425,000,000,
25 to remain available until expended.

1 Alliance for Progress, development grants: For expenses
2 authorized by section 252, ~~(10)\$80,000,000~~ \$100,000,000.

3 Development loans: For expenses authorized by section
4 202 (a) , ~~(11)\$600,000,000~~ \$800,000,000, to remain avail-
5 able until expended: *Provided*, That no part of this appro-
6 priation may be used to carry out the provisions of section
7 205 of the Foreign Assistance Act of 1961, as amended.

8 Administrative expenses: For expenses authorized by
9 section 637 (a) , \$50,000,000.

10 Administrative and other expenses: For expenses
11 authorized by section 637 (b) of the Foreign Assistance Act
12 of 1961, as amended, and by section 305 of the Mutual De-
13 fense Assistance Control Act of 1951, as amended,
14 \$2,700,000.

15 Unobligated balances as of June 30, 1963, of funds
16 heretofore made available under the authority of the Foreign
17 Assistance Act of 1961, as amended, except as otherwise
18 provided by law, are hereby continued available for the fiscal
19 year 1964 for the same general purposes for which appro-
20 priated ~~(12)~~and amounts certified pursuant to section 1311
21 of the Supplemental Appropriation Act, 1955, as having been
22 obligated against appropriations heretofore made under the
23 authority of the Mutual Security Act of 1954, as amended,
24 and the Foreign Assistance Act of 1961, as amended, for
25 the same general purpose as any of the subparagraphs under

1 “*Economic Assistance*”, are hereby continued available for the
 2 same period as the respective appropriations in such subpara-
 3 graphs for the same general purpose: *Provided, That such*
 4 *purpose relates to a project or program previously justified to*
 5 *Congress and the Committees on Appropriations of the House*
 6 *of Representatives and the Senate are notified prior to the*
 7 *reobligation of funds for such projects or programs.*

8 MILITARY ASSISTANCE

9 Military assistance: For expenses authorized by section
 10 504 (a) of the Foreign Assistance Act of 1961, as amended,
 11 including administrative expenses authorized by section 636
 12 (g) (1) of such Act, which shall not exceed \$24,000,000
 13 for the current fiscal year, and purchase of passenger motor
 14 vehicles for replacement only for use outside the United
 15 States: *Provided, That none of the funds contained in this*
 16 *paragraph shall be available for the purchase of new auto-*
 17 *motive vehicles outside of the United States, (13)\$1,000,-*
 18 *000,000 \$977,700,000.*

19 GENERAL PROVISIONS

20 SEC. 101. None of the funds herein appropriated (other
 21 than funds appropriated under the authorization for “Inter-
 22 national organizations and programs”) shall be used to
 23 finance the construction of any new flood control, reclama-
 24 tion, or other water or related land resource project or pro-
 25 gram which has not met the standards and criteria used in

1 determining the feasibility of flood control, reclamation and
2 other water and related land resource programs and projects
3 proposed for construction within the United States of
4 America as per memorandum of the President dated May
5 15, 1962.

6 SEC. 102. Obligations made from funds herein appro-
7 priated for engineering and architectural fees and services
8 to any individual or group of engineering and architectural
9 firms on any one project in excess of \$25,000 shall be re-
10 ported to the Committees on Appropriations of the Senate
11 and House of Representatives at least twice annually.

12 SEC. 103. Except for the appropriations entitled "Con-
13 tingency fund" and "Development loans", not more than
14 20 per centum of any appropriation item made available
15 by this title shall be obligated and/or reserved during the
16 last month of availability.

17 SEC. 104. None of the funds herein appropriated nor
18 any of the counterpart funds generated as a result of assist-
19 ance hereunder or any prior Act shall be used to pay
20 pensions, annuities, retirement pay or adjusted service com-
21 pensation for any persons heretofore or hereafter serving in
22 the armed forces of any recipient country.

23 SEC. 105. The Congress hereby reiterates its opposition
24 to the seating in the United Nations of the Communist China
25 regime as the representative of China, and it is hereby de-

1 clared to be the continuing sense of the Congress that the
2 Communist regime in China has not demonstrated its willing-
3 ness to fulfill the obligations contained in the Charter of the
4 United Nations and should not be recognized to represent
5 China in the United Nations. In the event of the seating of
6 representatives of the Chinese Communist regime in the
7 Security Council or General Assembly of the United Nations
8 the President is requested to inform the Congress insofar as
9 is compatible with the requirements of national security, of
10 the implications of this action upon the foreign policy of the
11 United States and our foreign relationships, including that
12 created by membership in the United Nations, together with
13 any recommendations which he may have with respect to
14 the matter.

15 SEC. 106. It is the sense of Congress that any attempt
16 by foreign nations to create distinctions because of their race
17 or religion among American citizens in the granting of per-
18 sonal or commercial access or any other rights otherwise
19 available to United States citizens generally is repugnant
20 to our principles; and in all negotiations between the United
21 States and any foreign state arising as a result of funds ap-
22 propriated under this title these principles shall be applied
23 as the President may determine.

24 SEC. 107. (a) No assistance shall be furnished under the
25 Foreign Assistance Act of 1961, as amended, to any country

1 which sells, furnishes, or permits any ships under its registry
2 to carry to Cuba, so long as it is governed by the Castro
3 regime, in addition to those items contained on the list main-
4 tained by the Administrator pursuant to title I of the Mutual
5 Defense Assistance Control Act of 1951, as amended, any
6 arms, ammunition, implements of war, atomic energy mate-
7 rials, or any other articles, materials, or supplies of primary
8 strategic significance used in the production of arms, ammu-
9 nition, and implements of war or of strategic significance to
10 the conduct of war, including petroleum products.

11 (b) No economic assistance shall be furnished under
12 the Foreign Assistance Act of 1961, as amended, to any
13 country which sells, furnishes, or permits any ships under
14 its registry to carry items of economic assistance to Cuba, so
15 long as it is governed by the Castro regime, unless the Presi-
16 dent determines that the withholding of such assistance would
17 be contrary to the national interest and reports such deter-
18 mination to the Foreign Relations and Appropriations Com-
19 mittees of the Senate and the Foreign Affairs and Appropria-
20 tions Committees of the House of Representatives. Reports
21 made pursuant to this subsection shall be published in the
22 Federal Register within seven days of submission to the
23 committees and shall contain a statement by the President
24 of the reasons for such determination.

25 SEC. 108. Any obligation made from funds provided in

1 this title for procurement outside the United States of any
2 commodity in bulk and in excess of \$100,000 shall be
3 reported to the Committees on Appropriations of the Senate
4 and the House of Representatives at least twice annually:
5 *Provided*, That each such report shall state the reasons for
6 which the President determined, pursuant to criteria set forth
7 in section 604 (a) of the Foreign Assistance Act of 1961,
8 as amended, that foreign procurement will not adversely
9 affect the economy of the United States.

10 SEC. 109. (a) No assistance shall be furnished to any
11 nation, whose government is based upon that theory of
12 government known as communism under the Foreign As-
13 sistance Act of 1961, as amended, for any arms, ammunition,
14 implements of war, atomic energy materials, or any articles,
15 materials, or supplies, such as petroleum, transportation
16 materials of strategic value, and items of primary strategic
17 significance used in the production of arms, ammunition, and
18 implements of war, contained on the list maintained by the
19 Administrator pursuant to title I of the Mutual Defense
20 Assistance Control Act of 1951, as amended.

21 (b) No economic assistance shall be furnished to any
22 nation whose government is based upon that theory of gov-
23 ernment known as communism under the Foreign Assistance
24 Act of 1961, as amended (except section 214 (b)), unless

1 the President determines that the withholding of such assist-
2 ance would be contrary to the national interest and reports
3 such determination to the Foreign Affairs and Appropria-
4 tions Committees of the House of Representatives and
5 Foreign Relations and Appropriations Committees of the
6 Senate. Reports made pursuant to this subsection shall be
7 published in the Federal Register within seven days of sub-
8 mission to the committees and shall contain a statement by
9 the President of the reasons for such determination.

10 SEC. 110. None of the funds appropriated or made
11 available pursuant to this Act for carrying out the Foreign
12 Assistance Act of 1961, as amended, may be used for mak-
13 ing payments on any contract for procurement to which the
14 United States is a party entered into after the date of enact-
15 ment of this Act which does not contain a provision authoriz-
16 ing the termination of such contract for the convenience of
17 the United States.

18 SEC. 111. None of the funds appropriated or made
19 available under this Act for carrying out the Foreign Assist-
20 ance Act of 1961, as amended, may be used to make pay-
21 ments with respect to any contract for the performance of
22 services outside the United States by United States citizens
23 where such citizens have not been investigated for loyalty

1 and security in the same manner and to the same extent as
2 would apply if they were regularly employed by the United
3 States.

4 SEC. 112. None of the funds appropriated or made
5 available under this Act for carrying out the Foreign Assist-
6 ance Act of 1961, as amended, may be used to make pay-
7 ments with respect to any capital project financed by loans
8 or grants from the United States where the United States
9 has not directly approved the terms of the contracts and the
10 firms to provide engineering, procurement, and construction
11 services on such project.

12 SEC. 113. Of the funds appropriated or made available
13 pursuant to this Act not more than \$6,000,000 may be used
14 during the fiscal year ending June 30, 1964, in carrying out
15 section 241 of the Foreign Assistance Act of 1961, as
16 amended.

17 SEC. 114. None of the funds appropriated or made
18 available pursuant to this Act for carrying out the Foreign
19 Assistance Act of 1961, as amended, may be used to pay in
20 whole or in part any assessments, arrearages or dues of any
21 member of the United Nations.

22 SEC. 115. Foreign currencies not to exceed \$200,000,
23 made available for loans pursuant to section 104(e) of the
24 Agricultural Trade Development and Assistance Act of

1 1954, as amended, shall be available during the current
2 fiscal year for expenses incurred incident to such loans.

3 SEC. 116. None of the administrative expense or other
4 funds herein appropriated shall be available in connection
5 with the use of receipts of United States dollars, derived from
6 loan repayments and interest collections, in the Development
7 Loan Fund and Alliance for Progress revolving funds.

8 SEC. 117. Receipts of United States dollars in the
9 Development Loan Fund and Alliance for Progress revolving
10 funds, derived from loan repayments and interest collections,
11 may hereafter, when so specified in appropriation Acts, be
12 used for the purposes for which such revolving funds are
13 available.

14 (14) SEC. 118. *None of the funds made available by this Act*
15 *for carrying out the Foreign Assistance Act of 1961, as*
16 *amended, may be used for the financing, in whole or in part,*
17 *of any construction contract in any foreign country where*
18 *persons other than nationals of such country or citizens of the*
19 *United States will be employed to perform any work in con-*
20 *nection with such contract, except when such nationals or*
21 *citizens of the United States are not available and qualified*
22 *to perform such work, or when the President finds that ap-*
23 *plication of this provision would be contrary to the national*
24 *interest.*

1 TITLE II—FOREIGN AID (OTHER)

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 PEACE CORPS

4 For expenses necessary to enable the President to carry
 5 out the provisions of the Peace Corps Act (75 Stat. 612),
 6 as amended, including purchase of not to exceed five pas-
 7 senger motor vehicles for use outside the United States,
 8 (15)~~\$89,000,000~~ \$98,100,000, together with the unobli-
 9 gated balance of the appropriation under this head for the
 10 fiscal year 1963, of which not to exceed (16)~~\$19,500,000~~
 11 \$20,300,000 shall be available for administration and pro-
 12 gram support costs.

13 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

14 RYUKYU ISLANDS, ARMY

15 ADMINISTRATION

16 For expenses, not otherwise provided for, necessary to
 17 meet the responsibilities and obligations of the United States
 18 in connection with the government of the Ryukyu Islands.
 19 as authorized by the Act of July 12, 1960 (74 Stat. 461),
 20 as amended (76 Stat. 742); services as authorized by sec-
 21 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-
 22 viduals not to exceed ten in number; not to exceed \$4,000
 23 for contingencies for the High Commissioner, to be expended
 24 in his discretion; hire of passenger motor vehicles and air-
 25 craft; purchase of six passenger motor vehicles, of which four

1 shall be for replacement only; and construction, repair, and
2 maintenance of buildings, utilities, facilities, and appurte-
3 nances; \$10,000,000, of which not to exceed (17)\$2,000,-
4 000 \$2,300,000 shall be available for administrative and in-
5 formation expenses, and \$2,000,000 shall be available for
6 transfer to the Ryukyu Domestic Water Corporation for con-
7 struction of a portion of the integrated island water system:
8 *Provided*, That expenditures from this appropriation may be
9 made outside continental United States when necessary to
10 carry out its purposes, without regard to sections 355 and
11 3648, Revised Statutes, as amended, section 4774 (d) of title
12 10, United States Code, civil service or classification laws, or
13 provisions of law prohibiting payment of any person not
14 a citizen of the United States: *Provided further*, That
15 funds appropriated hereunder may be used, insofar as prac-
16 ticable, and under such rules and regulations as may be
17 prescribed by the Secretary of the Army to pay ocean trans-
18 portation charges from United States ports, including terri-
19 torial ports, to ports in the Ryukyus for the movement of
20 supplies donated to, or purchased by, United States voluntary
21 nonprofit relief agencies registered with and recommended by
22 the Advisory Committee on Voluntary Foreign Aid or of
23 relief packages consigned to individuals residing in such
24 areas: *Provided further*, That the President may transfer

1 to any other department or agency any function or functions
 2 provided for under this appropriation, and there shall be
 3 transferred to any such department or agency, without reim-
 4 bursement and without regard to the appropriation from
 5 which procured, such property as the Director of the Bureau
 6 of the Budget shall determine to relate primarily to any
 7 function or functions so transferred.

8 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

9 ASSISTANCE TO REFUGEES IN THE UNITED STATES

10 For expenses necessary to carry out the provisions of
 11 the Migration and Refugee Assistance Act of 1962 (Public
 12 Law 87-510), relating to aid to refugees within the United
 13 States, including hire of passenger motor vehicles, and serv-
 14 ices as authorized by section 15 of the Act of August 2, 1946
 15 (5 U.S.C. 55a), ~~(18)\$56,000,000~~ \$39,717,137, together
 16 with the unobligated balance of the appropriation under this
 17 head for the fiscal year 1963.

18 DEPARTMENT OF STATE

19 INTERNATIONAL ORGANIZATIONS AND CONFERENCES

20 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

21 For an additional amount for "Contributions to inter-
 22 national organizations", \$18,374,000.

23 MIGRATION AND REFUGEE ASSISTANCE

24 For expenses, not otherwise provided for, necessary to
 25 enable the Secretary of State to provide assistance to refu-

1 gees, as authorized by law, including contributions to the
2 Intergovernmental Committee for European Migration and
3 the United Nations High Commissioner for Refugees;
4 salaries, expenses, and allowances of personnel and depend-
5 ents as authorized by the Foreign Service Act of 1946, as
6 amended (22 U.S.C. 801-1158); hire of passenger motor
7 vehicles; and services as authorized by section 15 of the Act
8 of August 2, 1946 (5 U.S.C. 55a); \$10,550,000: *Provided,*
9 That no funds herein appropriated shall be used to assist
10 directly in the migration to any nation in the Western
11 Hemisphere of any person not having a security clearance
12 based on reasonable standards to insure against Communist
13 infiltration in the Western Hemisphere.

14 FUNDS APPROPRIATED TO THE PRESIDENT

15 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

16 For payment of subscriptions to the Inter-American De-
17 velopment Bank for expansion of the Fund for Special
18 Operations, \$50,000,000, to remain available until ex-
19 pended(19): *Provided, That this paragraph shall be effec-*
20 *tive only upon enactment into law of authorizing legislation.*

21 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

22 ASSOCIATION

23 For payment of the fourth installment of the subscription
24 of the United States to the International Development Asso-
25 ciation, \$61,656,000, to remain available until expended.

1 TITLE III—EXPORT-IMPORT BANK OF
2 WASHINGTON

3 The Export-Import Bank of Washington is hereby
4 authorized to make such expenditures within the limits of
5 funds and borrowing authority available to such corporation,
6 and in accord with law, and to make such contracts and com-
7 mitments without regard to fiscal year limitations as provided
8 by section 104 of the Government Corporation Control Act,
9 as amended, as may be necessary in carrying out the pro-
10 grams set forth in the budget for the current fiscal year for
11 such corporation, except as hereinafter provided:

12 LIMITATION ON OPERATING EXPENSES

13 Not to exceed \$1,314,366,000 (of which not to exceed
14 \$963,500,000 shall be for development loans) shall be au-
15 thorized during the current fiscal year for other than admin-
16 istrative expenses.

17 LIMITATION ON ADMINISTRATIVE EXPENSES

18 Not to exceed \$3,500,000 (to be computed on an
19 accrual basis) shall be available during the current fiscal
20 year for administrative expenses, including services as au-
21 thorized by section 15 of the Act of August 2, 1946 (5
22 U.S.C. 55a), at rates not to exceed \$75 per diem for indi-
23 viduals, purchase of one passenger motor vehicle (for
24 replacement only) at not to exceed \$3,000, and not to

1 exceed \$9,000 for entertainment allowances for members of
2 the Board of Directors: *Provided*, That (1) fees or dues to
3 international organizations of credit institutions engaged in
4 financing foreign trade, (2) necessary expenses (including
5 special services performed on a contract or fee basis, but not
6 including other personal services) in connection with the
7 acquisition, operation, maintenance, improvement, or disposi-
8 tion of any real or personal property belonging to the Bank
9 or in which it has an interest, including expenses of collec-
10 tions of pledged collateral, or the investigation or appraisal
11 of any property in respect to which an application for a loan
12 has been made, and (3) expenses (other than internal
13 expenses of the Bank) incurred in connection with the
14 issuance and servicing of guarantees, insurance, and
15 reinsurance shall be considered as nonadministrative expenses
16 for the purposes hereof.

17 ~~(20)~~None of the funds provided herein shall be used by the
18 Export-Import Bank to either guarantee the payment of
19 any obligation hereafter incurred by any Communist country
20 (as defined in section 620(f) of the Foreign Assistance
21 Act of 1961) or any agency or national thereof, or in any
22 other way to participate in the extension of credit to any such
23 country, agency, or national, in connection with the pur-
24 chase of any product by such country, agency, or national.

TITLE IV—LEGISLATIVE BRANCH

(21)SENATE

(22)For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, \$22,500.

(23)CONTINGENT EXPENSES OF THE SENATE

(24)Miscellaneous Items

For an additional amount for "Miscellaneous items", fiscal year 1963, \$190,000.

(25)Miscellaneous Items

For an additional amount for "Miscellaneous items", \$215,000: Provided, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

(26)Stationery (Revolving Fund)

For an additional amount for stationery, \$60,600: Provided, That commencing with the fiscal year 1964 and there-

1 *after the allowance for stationery for each Senator and the*
2 *President of the Senate shall be at the rate of \$2,400 per*
3 *annum.*

4 HOUSE OF REPRESENTATIVES

5 For payment to Mae Doyle Walter, widow of Francis
6 E. Walter, late a Representative from the State of Penn-
7 sylvania, \$22,500.

8 For payment to Clara H. Nygaard, widow of Hjalmar
9 C. Nygaard, late a Representative from the State of North
10 Dakota, \$22,500.

11 For payment to Susan G. Gavin, widow of Leon H.
12 Gavin, late a Representative from the State of Pennsylvania,
13 \$22,500.

14 CONTINGENT EXPENSES OF THE HOUSE

15 Miscellaneous Items

16 For an additional amount for "Miscellaneous items",
17 \$925,000.

18 Reporting Hearings

19 For an additional amount for "Reporting hearings",
20 \$48,000.

21 Special and Select Committees

22 For an additional amount for "Special and select com-
23 mittees", \$665,500.

1 Telegraph and Telephone

2 For an additional amount for "Telegraph and tele-
3 phone", \$515,000.

4 Stationery (Revolving Fund)

5 For an additional amount for "Stationery (revolving
6 fund)", to remain available until expended: first session of
7 the Eighty-eighth Congress, \$261,600; second session of the
8 Eighty-eighth Congress, \$261,600.

9 Postage Stamps

10 For an additional amount for "Postage stamps", to re-
11 main available until expended: first session of the Eighty-
12 eighth Congress, \$45,710; second session of the Eighty-
13 eighth Congress, \$45,710.

14 JOINT ITEMS

15 Education of Pages

16 For an additional amount for "Education of pages",
17 \$2,655, which amount shall be advanced and credited to the
18 applicable appropriation of the District of Columbia.

19 **(27)** *TITLE V—INDEPENDENT OFFICES*

20 *HISTORICAL AND MEMORIAL COMMISSIONS*

21 *NEW JERSEY TERCENTENARY CELEBRATION COMMISSION*

22 *For expenses necessary to carry out the provisions of the*
23 *Act of September 2, 1960 (74 Stat. 730), including trans-*
24 *portation and entertainment of participants, \$150,000, to*
25 *remain available until expended.*

(28) TITLE V VI—CLAIMS AND JUDGMENTS

FEDERAL FUNDS

CLAIMS AND JUDGMENTS

For payment of claims as settled and determined by departments and agencies in accord with law, and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in House Document Numbered 182, Eighty-eighth Congress, \$12,982,095, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act.

DISTRICT OF COLUMBIA FUNDS

SETTLEMENT OF CLAIMS AND SUITS

For the payment of claims in excess of \$250, approved by the Commissioners in accordance with the provisions of the Act of February 11, 1929, as amended (45 Stat. 1160;

1 46 Stat. 500; 65 Stat. 131), \$22,238, which shall be pay-
 2 able from the general fund of the District of Columbia.

3 **(29) TITLE ~~VI~~ VII—GENERAL PROVISIONS**

4 **(30) SEC. ~~601~~ 701.** No part of any appropriation contained
 5 in this Act shall be used for publicity or propaganda purposes
 6 within the United States not heretofore authorized by the
 7 Congress.

8 **(31) SEC. ~~602~~ 702.** None of the funds herein appropriated
 9 shall be used for expenses of the Inspector General, Foreign
 10 Assistance, after the expiration of the thirty-five day period
 11 which begins on the date the General Accounting Office or
 12 any committee of the Congress, or any duly authorized sub-
 13 committee thereof, charged with considering foreign assist-
 14 ance legislation, appropriations, or expenditures, has de-
 15 livered to the office of the Inspector General, Foreign
 16 Assistance, a written request that it be furnished any docu-
 17 ment, paper, communication, audit, review, finding, recom-
 18 mendation, report, or other material in the custody or control
 19 of the Inspector General, Foreign Assistance, relating to any
 20 review, inspection, or audit arranged for, directed, or con-
 21 ducted by him, unless and until there has been furnished to
 22 the General Accounting Office or to such committee or sub-
 23 committee, as the case may be, (A) the document, paper,

1 communication, audit, review, finding, recommendation, re-
2 port, or other material so requested or (B) a certification by
3 the President, personally, that he has forbidden the furnish-
4 ing thereof pursuant to such request and his reason for so
5 doing.

6 **(32)**SEC. ~~603~~ 703. Appropriations and other funds made
7 available in acts making appropriations for the fiscal year
8 ending June 30, 1964, shall be reserved and withheld from
9 obligation through the apportionment procedure prescribed
10 by law (31 U.S.C. 665) to the maximum extent possible, as
11 determined by the Director of the Bureau of the Budget, on
12 account of savings arising from enactment of any such acts
13 after the beginning of such fiscal year. Nothing herein shall
14 be construed to limit existing authority of law for reserving
15 appropriations.

16 **(33)**SEC. ~~604~~ 704. No part of any appropriation contained
17 in this Act shall be used to conduct or assist in conducting
18 any program (including but not limited to the payment of
19 salaries, administrative expenses, and the conduct of research
20 activities) related directly or indirectly to the establishment
21 of a national service corps or similar domestic peace corps
22 type of program.

1 This Act may be cited as the “Foreign Aid and Related
2 Agencies Appropriation Act, 1964”.

Passed the House of Representatives December 16, 1963.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments December 19
(legislative day, December 18), 1963.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 1963

Ordered to be printed with the amendments of the
Senate numbered

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 23, 1963

For actions of Dec. 20 and 21, 1963

88th-1st; Nos. 211 and 212

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HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill. Sen. Miller requested investigation of soybean futures market. Sens. Curtis and Hruska and Rep. Montoya expressed concern about meat imports. Sen. Mansfield inserted statement on legislative accomplishments. House recommitted foreign aid appropriation bill with instructions against wheat-for-Russia compromise. Rep. Skubitz inserted his statement before Tariff Commission criticizing beef imports.

SENATE - Dec. 20

(H. Rept. 1088)

1. AGRICULTURAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 6754, and acted on amendments which had been reported in disagreement. This bill will now be sent to the President. Attached is a summary showing actions of the conferees, etc. pp. 24226-31, 24249-55, 24235
2. SOYBEAN FUTURES. Sen. Miller requested an investigation of the soybean futures market. pp. 24065-6
3. MEAT IMPORTS. Sens. Curtis and Hruska expressed concern about increases in livestock and meat imports. pp. 24067, 24073-5

4. SUGAR. Received from this Department a proposed bill to suspend during the calendar year 1964 restrictions on marketing of domestically produced sugar under the Sugar Act of 1948; to Finance Committee. p. 24256
5. INDIA. Sen. Miller inserted an article evaluating India's economic growth. pp. 24066-7
6. GRANTS-IN-AID. Sen. Pell commended plans to review grant-in-aid programs every five years for possible termination. pp. 24083-4

SENATE - Dec. 21

7. RIVER BASINS. Received a report of the U. S. Study Commission on the Savannah, Altamaha, Saint Marys, Apalachicola-Chattahoochee and Perdido-Escambia River Basins and intervenina areas; to Public Works Committee (S. Doc. 51). p. 24260
8. RECREATION. Sen. Jackson inserted resolutions on this subject by the Federation of Western Outdoor Clubs. pp. 24264-7
9. LEGISLATIVE ACCOMPLISHMENTS. Sen. Mansfield inserted a detailed statement on legislative accomplishments during the current session. pp. 24268-87
10. ADJOURNED until Tues., Dec. 24. p. 24287

HOUSE - Dec. 20

11. PUERTO RICO. Concurred in the Senate amendments to H. R. 5945, to establish a U.S.-P.R. Commission on the Statutes of P.R. This bill will now be sent to the President. pp. 24166-7
12. CONSERVATION. Rep. Ullman stated that "we must act now, wisely, judiciously, but positively, to preserve for the future the great land and water resources that still lie undeveloped all over America." pp. 24187-8
13. PERSONNEL. Rep. Henderson inserted the President's memorandum to department heads urging "every employee in every agency at every location in the Federal Government...to give your best to your job and your country." p. 24188
14. LEGISLATIVE ACCOMPLISHMENTS. Rep. Rooney (N.Y.) inserted an article, "What Congress Did This Session," including discussion of agricultural programs. pp. 24232-3
15. FARM PROGRAM. Rep. Cleveland complained that, due to rate differentials, feed grains are being shipped to New England's competitors in Del., Md., and Va., at lower rail rates than to New England and are a threat to New England's poultry and dairy industries. 24201

HOUSE - Dec. 21

16. FOREIGN-AID APPROPRIATIONS. Received the conference report on H.R. 9499, the foreign aid appropriation bill (H. Rept. 1087). The Rules Committee reported a resolution waiving points of order against the conference report. p. 24235
By a vote of 141 to 136, agreed to a motion by Rep. Rhodes to "recommit the conference report" on this bill, H.R. 9499, with instructions to the House conferees to insist on retention of the House provision prohibiting the Export-Import Bank from extending credit to Communist countries. The conferees had

recommended a modified version that would leave the final decision to the President. pp. 24211-25

17. ADJOURNED until Mon., Dec. 23. p. 24248

ITEMS IN APPENDIX

18. LEGISLATIVE ACCOMPLISHMENTS. Extension of remarks of Rep. Pike on the "accomplishments and failures" of this session of Congress and insertion of his voting record on all major issues. pp. A7758-9

Extension of remarks of Rep. Ayres on the legislative accomplishments of Committee on Veterans' Affairs and the Committee on Education and Labor. pp. A7770-1

19. RESEARCH. Rep. Meader inserted a newspaper editorial on the importance of research and development in the jobmaking and prosperity-producing factors in industry. p. A7761

20. FEDERAL-STATE RELATIONS. Extension of remarks of Rep. Horan and insertion of an article on the proper functions of State and local governments. pp. A7762-4

21. WATER POLLUTION. Rep. Jones (Ala.) commended and inserted a newspaper editorial, "Water Pollution: A National Problem." p. A7766

22. WATER RESOURCES. Rep. Senner commended and inserted a speech by Commissioner Dominy, Bureau of Reclamation, at Tucson, Ariz., emphasizing Arizona's water needs. pp. A7771-3

23. CONSERVATION. Rep. Jensen inserted an article, "Darling Foundation Outlines 18 Months of Accomplishments" in the fields of conservation. pp. A7766-7

24. BEEF IMPORTS. Extension of remarks of Rep. Montoya urging "that the virtually unlimited importation of beef be halted" and "that the present tariff and quota rates be raised" for the protection of the cattle industry. pp. A 7767-8

Extension of remarks of Rep. Skubitz calling "attention to the disastrous effects that beef imports are having upon the livestock producers" and urging "a system of quotas be established and substantial increase in our importation duties be made effective." pp. A7773-4

25. GRAIN SHIPPING. Extension of remarks of Rep. Cleveland inserting his letter to the General Freight Traffic Committee-Eastern Railroads, "demanding that feed grain rates to New England be equalized and competitive with grain rates to other parts of the country." pp. A7787-8

26. EDUCATION; MANPOWER. Extension of remarks of Rep. Brademas inserting an editorial complimenting the work of this session of Congress in the fields of education and job training. p. A7789

27. EXPENDITURES. Extension of remarks of Rep. Norblad inserting an editorial "on the need for economy in Government spending." A 7793

28. FOREIGN TRADE. Extension of remarks of Rep. Dent inserting a letter stating that Congress is made up of "protectionists for their individual district's products but collectively the Congress is for so-called free trade" including

agricultural commodities. pp. A7797-8

Extension of remarks of Rep. Dent stating that "all trade should be free in noncompetitive goods and all jobs both here and in foreign countries should be protected in competition goods" especially mentioning poultry difficulties with the Common Market, textile imports and milk tariffs. pp. A7802-3

29. LUMBER IMPORTS. Extension of remarks of Rep. Hansen complimenting the passage of H. R. 2513, which provides for imported lumber to be marked as to country of origin. p. A7798

30. OPINION POLL. Extension of remarks of Rep. Thompson (N.J.) inserting the results of an opinion poll concerning such items as reduction in income taxes, National Service Corps, Youth Employment Act and continuation of foreign aid programs. pp. A7804-5

BILLS INTRODUCED

31. HOUSING. H. R. 9559, by Rep. Hawkins, to amend section 221 of the National Housing Act to require, as a condition of mortgage insurance for cooperative housing thereunder, a finding by the Federal Housing Commissioner (after public hearing) that the proposed housing will adequately serve a useful purpose; to Banking and Currency Committee.

BILL APPROVED BY THE PRESIDENT

32. APPROPRIATIONS. H. R. 8747, independent offices appropriations, 1964. Approved December 19, 1963 (Public Law 88-215).

FOREIGN AID AND RELATED AGENCIES

DECEMBER 21 (legislative day, DECEMBER 20), 1963.—Ordered to be printed

Mr. PASSMAN, from the committee of conference submitted the following

CONFERENCE REPORT

[To accompany H.R. 9499]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 10, 13, 27, 28, 29, 30, 31, 32, and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 7, 12, 17, 18, 19, 21, 23, and 24, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$155,000,000; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$116,000,000; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$330,000,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$135,000,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$375,000,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$687,300,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$92,100,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$19,900,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

Restore the matter stricken, amended to read as follows:

None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national except when the President determines that such guarantees would be in the national interest and

reports each such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 14, 22, 25 and 26.

OTTO E. PASSMAN,
J. VAUGHN GARY,
WILLIAM H. NATCHER,
JOHN J. RHODES,
(I reserve on amendment No. 20),
GERALD R. FORD,
(I reserve on amendment No. 20),
Managers on the Part of the House.

CARL HAYDEN,
ALLEN J. ELLENDER,
JOHN L. MCCLELLAN,
SPESSARD L. HOLLAND,
JOHN O. PASTORE,
MIKE MONRONEY,
GALE W. MCGEE,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—FOREIGN AID (MUTUAL SECURITY)

ECONOMIC ASSISTANCE

Amendment No. 1.—*Development grants*: Appropriates \$155 million instead of \$150 million as proposed by the House and \$175 million as proposed by the Senate. None of the reduction in the amount allowed is to be applied against the malaria control program.

Amendments Nos. 2 and 3.—*American hospitals and schools abroad*: Insert language proposed by the Senate and delete language proposed by the House.

Amendment No. 4.—*International organizations and programs*: Appropriates \$116 million instead of \$100 million as proposed by the House and \$130,903,000 as proposed by the Senate. None of the reduction in the amount allowed is to be applied against the children's fund.

Amendment No. 5.—*Supporting assistance*: Appropriates \$330 million instead of \$300 million as proposed by the House and \$380 million as proposed by the Senate.

Amendment No. 6.—*Contingency fund*: Appropriates \$50 million as proposed by the House instead of \$32,900,000 as proposed by the Senate.

Amendments Nos. 7 and 8.—*Inter-American social and economic cooperation program*: Insert language proposed by the Senate and appropriate \$135 million instead of \$100 million as proposed by the House and \$180 million as proposed by the Senate.

Amendment No. 9.—*Alliance for Progress, development loans*: Appropriates \$375 million instead of \$350 million as proposed by the House and \$425 million as proposed by the Senate.

Amendment No. 10.—*Alliance for Progress, development grants*: Appropriates \$80 million as proposed by the House instead of \$100 million as proposed by the Senate.

Amendment No. 11.—*Development loans*: Appropriates \$687,300,000 instead of \$600 million as proposed by the House and \$800 million as proposed by the Senate.

Amendment No. 12.—Inserts language proposed by the Senate relating to the use of deobligated funds.

Amendment No. 13.—*Military assistance*: Appropriates \$1 billion as proposed by the House instead of \$977,700,000 as proposed by the Senate.

Amendment No. 14.—*General provisions*: Reported in disagreement.

TITLE II—FOREIGN AID (OTHER)

Amendments Nos. 15 and 16.—*Peace Corps*: Appropriate \$92,100,000 instead of \$89 million as proposed by the House and \$98,100,000 as proposed by the Senate; and provide that not to exceed \$19,900,000 shall be available for administrative expenses instead of \$19,500,000 as proposed by the House and \$20,300,000 as proposed by the Senate.

Amendment No. 17.—*Ryukyu Islands*: Provides that not to exceed \$2,300,000 shall be available for administrative and information expenses as proposed by the Senate instead of \$2 million as proposed by the House.

Amendment No. 18.—*Assistance to Refugees in the United States*: Appropriates \$39,717,137 as proposed by the Senate instead of \$56 million as proposed by the House.

Amendment No. 19.—*Investment in Inter-American Bank*: Inserts language proposed by the Senate.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Amendment No. 20.—Restores House language which was **stricken** by the Senate relating to the guarantee of sales amended giving discretionary authority to the President with the provision that such determinations by him be reported to the Committees on Appropriations of the House and Senate and the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate.

TITLE IV—LEGISLATIVE BRANCH

Amendment No. 21.—*Senate*: Inserts heading as proposed by the Senate.

Amendment No. 22.—Reported in disagreement.

Amendments Nos. 23 and 24: Insert heading and appropriate \$190,000 for miscellaneous items as proposed by the Senate.

Amendments Nos. 25 and 26: Reported in disagreement.

TITLE V—INDEPENDENT OFFICES

NEW JERSEY TERCENTENARY CELEBRATION COMMISSION

Amendment No. 27.—Deletes the proposal of the Senate to appropriate \$150,000 for the Commission as there is no authorization for this appropriation.

TITLE VI—CLAIMS AND JUDGMENTS AND GENERAL
PROVISIONS

Amendments Nos. 28-33: Insert section numbers.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
WILLIAM H. NATCHER,
JOHN J. RHODES

(I reserve on Amendment No. 20),

GERALD R. FORD

(I reserve on Amendment No. 20),

Managers on the Part of the House.

○

WAIVING POINTS OF ORDER AGAINST THE CONFERENCE
REPORT ON THE BILL H.R. 9499

DECEMBER 21 (legislative day, DECEMBER 20), 1963.—Ordered to be printed

Mr. MADDEN, from the Committee on Rules submitted the following

R E P O R T

[To accompany H. Res. 598]

The Committee on Rules, having had under consideration House Resolution 598, reports the same to the House with the recommendation that the Resolution do pass.



H. RES. 598

[Report No. 1086]

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21 (legislative day, DECEMBER 20), 1963

Mr. MADDEN, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed.

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to consider the conference report on the
3 bill (H.R. 9499) making appropriations for Foreign Aid
4 and related agencies for the fiscal year ending June 30,
5 1964, and for other purposes, and all points of order against
6 the conference report are hereby waived.

[Report No. 1086]

RESOLUTION

Waiving points of order against the conference
report on the bill H.R. 9499.

By Mr. MADDEN

DECEMBER 21 (legislative day, DECEMBER 20), 1963
Reported without amendment, considered and agreed to



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

Vol. 109

WASHINGTON, SATURDAY, DECEMBER 21, 1963

No. 212

House of Representatives

(Proceedings of the House of Representatives continued from the Record of December 20, 1963)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 3 minutes a.m., Saturday, December 21, 1963.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 792. An act to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 250]

Abbutt	Beermann	Cameron
Adair	Belcher	Cannon
Andrews,	Blatnik	Carey
N. Dak.	Bolling	Casey
Auchincloss	Bray	Cederberg
Ayres	Brown, Calif.	Celler
Baker	Brown, Ohio	Clancy
Baring	Buckley	Clark
Barrett	Burke	Clawson, Del.
Bass	Burkhalter	Colmer
Becker	Cahill	Cooley

Corbett	Jones, Mo.	Quillen
Curtis	Kastenmeier	Rains
Dague	Kee	Randall
Daniels	Kelly	Reid, Ill.
Davis, Tenn.	Keogh	Reuss
Dawson	Kilburn	Rhodes, Pa.
Derounian	King, N.Y.	Riehlman
Devine	Kluczynski	Roberts, Ala.
Diggs	Kornegay	Roberts, Tex.
Donohue	Kunkel	Rogers, Colo.
Dwyer	Kyl	Rogers, Tex.
Ellsworth	Landrum	Rooney, Pa.
Evins	Lankford	Rostenkowski
Fascell	Leggett	Ryan, Mich.
Fino	Lennon	St. George
Flynt	Lesinski	St. Germain
Foreman	Lloyd	Scott
Forrester	Long, Md.	Shelley
Fraser	McCulloch	Shipley
Fulton, Tenn.	McDowell	Short
Fuqua	McIntire	Sikes
Gibbons	McLoskey	Siler
Glenn	Macdonald	Sisk
Goodell	Mailhard	Slack
Grant	Martin, Mass	Stephens
Gray	Martin, Nebr.	Sullivan
Green, Pa.	Miller, Calif.	Talcott
Griffiths	Milliken	Taylor
Gubser	Minshall	Teague, Calif.
Hall	Monagan	Teague, Tex.
Harris	Montoya	Thompson, La.
Harrison	Moorhead	Thompson, Tex.
Harvey, Ind.	Morris	Tellefson
Harvey, Mich.	Moss	Trumble
Hawkins	Multer	Van Pelt
Hays	Murphy, N.Y.	Vinson
Hébert	Murray	Watts
Herlong	Nedzi	Wharton
Hoeven	Nelsen	Whitener
Hoffman	O'Brien, Ill.	Willis
Hollifield	Osmer	Wilson,
Hull	Ostertag	Charles H.
Hutchinson	Patman	Wright
Ichord	Philbin	Wydler
Johnson, Calif.	Pilcher	Younger
Johnson, Pa.	Powell	
Jones, Ala.	Purcell	

The SPEAKER. On this rollcall 263 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with

WAIVING POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON THE BILL H.R. 9499

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 598, Rept. No. 1086), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 9499) making appropriations for foreign aid and

related agencies for the fiscal year ending June 30, 1964, and for other purposes, and all points of order against the conference report are hereby waived.

Mr. MADDEN. Mr. Speaker, I call up House Resolution 598 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 598?

Mr. BOW. Mr. Speaker, I object to the consideration of the rule on the grounds that under rule 11, section XXII, of the rules of the House this rule is not laid over before the House for 24 hours.

The SPEAKER. The Chair will state that clause 22 of rule 11 provides, in substance, that the House may consider a resolution on the same day as reported, if by a two-thirds vote.

The question is, Will the House now consider House Resolution 598?

The question was taken; and on a division (demanded by Mr. Bow) there were—ayes 178, noes 50.

The SPEAKER. Two-thirds having voted in favor thereof the House agrees to consider House Resolution 598.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may consume.

Mr. Speaker, at this late hour and after the Committee on Foreign Affairs spent weeks and weeks and months holding hearings on this legislation, and after the Committee on Appropriations held hearings and hearings for days and days, and then with the debate on the floor of the House, I do not think anything said at this late hour will change any votes here this morning. Any valuable information given to the Members here this morning will be whatever words the members of the conference committee have to say. I do, however, want to commend our colleague, the gentleman from Louisiana [Mr. PASSMAN], and the members of the conference committee for the great work they have done in arriving at a determination on this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of California. Mr. Speaker, of course this is a very late hour in the morning and everybody is tired and we would like to adjourn, but by the same token this is probably the most important subject we are considering this session. We probably would not be here this late if it were not important. I do have some requests for time, and I would ask the indulgence of the Members of the House a little longer so that gentlemen can express their comments on this important matter.

Mr. Speaker, this resolution waives points of order and provides for the consideration of the conference report on H.R. 9499, the foreign aid appropriation bill. As I understand it, the additional language which was added and which makes necessary this resolution by the Rules Committee is as follows. In speaking about the Export-Import Bank this language, as I understand, is added:

Except when the President determines that such guarantees would be in the national interest and reports each such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate.

In the short amount of testimony we heard a while ago before the Rules Committee, it was brought out that some of the Members suggested and felt that the language which the House earlier adopted when we passed the motion to recommit the bill to the committee with instructions, the so-called Findley amendment, is better than this particular amendment. In turn, some Members feel that there is no time limit in this broad statement as to the conditions precedent as to when President Johnson has to report to the two committees of the House and the two committees of the Senate or if he has to report before the Export-Import Bank makes the guarantee, that it is not specific enough on the requirement for the determination of the President. Others feel that Russia owes us money they have not paid back, and eventually, if the Export-Import Bank does this, possibly the U.S. taxpayer may have to pay the bill.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Indiana.

Mr. HALLECK. As I understand the rules of the House and as I also understand the assurances that were given to the members of the Rules Committee before this rule was given, the minority will have a motion to recommit.

Mr. SMITH of California. That is my understanding.

Mr. HALLECK. We will have that motion to recommit before we finally vote on the conference report.

Mr. SMITH of California. We may have some differences of understanding here. I might ask the Speaker about this. My understanding is that after the rule on this resolution is adopted and time is taken by the committee in explaining the conference report, when the motion for the previous question is made, at that time a motion will be in order to recommit the conference report to the committee with instructions to take the House version of the bill.

Mr. HALLECK. That is my understanding of it. I want to make that clear.

Mr. SMITH of California. Mr. Speaker, may I submit a parliamentary inquiry as to whether or not that is the understanding, so that we will all know as we proceed here?

The SPEAKER. Under the rules of the House the motion to recommit is in order after the adoption of the previous question on the conference report.

Mr. SMITH of California. After the adoption?

Mr. HALLECK. After the adoption of the previous question, but not the conference report.

The SPEAKER. The gentleman is correct.

Mr. HALLECK. That is right. If the gentleman will yield to me further, in order that my position may be very well understood, I supported the Jensen motion to recommit when this measure was originally before us. It carried by a very decisive vote here in the House of Representatives. It was originally offered in the Committee of the Whole by the gentleman from Illinois [Mr. FINDLEY]. It lost on a tie vote. As far as I am concerned, I understand that a motion to recommit with instructions to insist on the House position will be offered. I shall support that motion. I hope it prevails.

Now otherwise I might say, that after too much delay, but having been here this long tonight and this morning, possibly we might as well go on and dispose of this matter and send it over to the other body. But again may I say I hope the motion to recommit will prevail to the end that the original recommit when we had the bill before us will be in the bill. Now as to what happens in the other body, I do not know. That is up to them. But so far as I am concerned, I am going to support that motion to recommit.

Mr. SMITH of California. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BOW].

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Speaker, I hope the gentlemen who are asking for a vote will have it soon and when they vote, I hope they will vote against this rule.

I recognize, gentlemen, that the hour is late but I also recognize the hour is late in the legislative history of this country in the matter of the delegation of power, and it is beginning to get us into a situation where we had better give consideration to this and if it is so important that you get home for the holidays and you are not willing to con-

sider basic legislation that involves constitutional questions, then there is something wrong with this House of Representatives. May I say to you very briefly why I believe this rule is not in the best interest of the country. The motion failed by a vote of 133 to 133 to prevent the Export-Import Bank from making loans to sell wheat to the Communists. Then on the motion to recommit there was a prohibition against the financing of this wheat to the Communists; and it is in this bill regardless of what was said on this floor earlier today.

Now what does this amendment do? I say to you, if you vote for this rule, you are then voting against what you voted for several days ago. For what this rule does is to provide legislative authority for the President of the United States to make determinations. The rule provides that the President may determine, if he feels it is in the best interest of the Nation, then this financing can be done by the Export-Import Bank. May I point out what he does then is to notify the proper committees of both the House and Senate. There is nothing in the bill that says when he shall report and there is nothing you can do after he has reported. So you have completely wiped out the will of the House, as we passed it last week, when we voted for the motion to recommit. You now simply wipe that all out by turning this authority over to the President. It is a legislative authority that you are now delegating to the President of the United States. May I call your attention to section 1 of article I of the Constitution which provides that all legislative power shall rest in the Congress of the United States; and you are delegating that legislative power to the Chief Executive. Under the Constitution the Executive may from time to time send us a message on the state of the Union. Now we have gone down this road for some time about the delegation of constitutional powers of the rights of this House. The hour is late and you are unhappy with me for taking your time. But I say to you, and to those who want this vote, if an early vote is more important to you than the Constitution of the United States and its preservation—what are we doing here? I hope you will oppose the rule. May I say again that this bill does have money in it for Communist countries. There is money contained here that will find its way into Yugoslavia, Poland, and into Cuba and other Communist countries.

The reason this rule was necessary was because of the Export-Import Bank legislation money that might go into Communist hands. If you are against financing wheat to Communist countries, you will vote against this rule.

Thank you.

Mr. SMITH of California. Mr. Speaker, I have just one more request for time. I yield 6 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, this proposal demands our careful considera-

tion because it goes right to the heart of our foreign policy. Monday we voted to ban subsidized credit for the Communists. The message was clear, and the people of the United States applauded.

Now what is before us? New language. What does it say? Nothing. It is a joke. It pulls all the teeth we put in Monday's amendment. It leaves nothing but a verbal vacuum. The President gets a blank check. He sets the policy, not the Congress.

Examine it. Look at the words in this new proposal: the President must determine it is in the national interest before taxpayers are forced to guarantee credit for the Communists. But do not hold your breath. The President has already made the determination. In a letter to the majority leader of the other body, dated yesterday, the President, speaking of sales to Communist countries, said, and I quote:

In my judgment, sales of wheat and other farm commodities, on reasonable terms, are now plainly in the national interest of the United States.

He said "national interest." The very same phrase that appears in this proposed language.

The new language says that the President must report his decisions to various congressional committees. It does not say when. It can come long after the damage is done. But here again do not hold your breath. The President has already reported his determination. Pull the CONGRESSIONAL RECORD out from under your seat. You do not have to wait 7 days to read it in the Federal Register. Turn to page 23954 of today's or, rather, yesterday's CONGRESSIONAL RECORD. There the President has already reported. You can see for yourself the full text of his letter.

The simple fact is this: the President has made his determination, and his determination is already on the public record.

What does this compromise language mean? Nothing. Words. Meaningless, empty words. The only way that we can stop subsidized credit for the Communists is to say so ourselves in plain, clear language, like the language we adopted on Monday.

Do we shrink from saying in clear language—no subsidized credit for the Communists? Is that asking too much of the elected representatives of the last, best hope for human freedom? Why are we here? What is our duty? To set policy or to shift it to the President?

Congress should make the determination and determine that forcing taxpayers to subsidize credit for the Communists is not in the national interest.

The Congress should make its own report—report to the American people—yes, report tonight to the American people and to all who love freedom that we will not finance Communist Russia out of a hole dug by its own repressive, dictatorial system.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I will be glad to yield to the distinguished minority leader, the gentleman from Indiana.

Mr. HALLECK. If I understand the gentleman correctly, he is insisting upon the retention in this legislation of the amendment which he originally proposed when we were in the Committee of the Whole. Is that correct?

Mr. FINDLEY. I am.

Mr. HALLECK. Do I correctly understand, in agreement with him, that the motion to recommit will restate the position of the House of Representatives in that regard, and if we have here the votes tonight to restate that position, then this conference report will be re-committed with an affirmative determination on the part of the House of Representatives to retain the amendment that the gentleman originally proposed?

Mr. FINDLEY. The gentleman has stated it correctly.

Mr. DOLE. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Kansas.

Mr. DOLE. Having studied your own amendment very carefully, and the language adopted by the conferees, do you consider the language to be a compromise now, or would you say it was not a compromise?

Mr. FINDLEY. It has the effect of wiping out the entire content of the amendment we adopted on Monday. Maybe that is a compromise. To me it washes out the entire effect and meaning of that amendment.

Mr. DOLE. That is the way I understand it, and I agree with the gentleman. What was the vote on Monday on your amendment? Do you remember the vote on your amendment?

Mr. FINDLEY. Yes. The vote was 218 for the amendment and 169 against.

Mr. DOLE. Rather clearly the House position was not sustained then.

Mr. FINDLEY. That is correct.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. HOSMER. To sustain the gentleman's position on the vote earlier this week, how should one vote on the proposition before the House at this time?

Mr. FINDLEY. The correct vote would be "aye" on the motion to recommit.

Mr. HOSMER. I thank the gentleman.

Mr. SMITH of California. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I simply want to bring to the attention of the House a statement by the Department of State which shows that the Communists owe the U.S. taxpayers at this very minute \$10,800 million plus interest. The State Department agreed some time ago to take \$300 million and settle that big account. Yet the Communists have not been willing to settle for even that amount.

Now we are asked to extend further credit to these deadbeats of half a billion more of our taxpayers hard-earned dollars.

Mr. Speaker, I ask unanimous consent to include at this point in the RECORD

this statement from the State Department which explains this matter quite in full.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The statement referred to follows:

GENERAL INFORMATION ON THE QUESTION OF A LEND-LEASE SETTLEMENT WITH THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

The following information has been prepared in response to many inquiries received about World War II lend-lease to the Government of the Union of Soviet Socialist Republics and the efforts the United States has taken to seek a reasonable settlement by the U.S.S.R. of its lend-lease obligation.

Lend-lease was conceived and executed "to promote the defense of the United States," as provided for in the lend-lease law. The program was inaugurated on March 11, 1941 as our peacetime contribution to nations aiding our defense by resisting Axis aggression. After the United States was attacked, lend-lease became an instrument by which we strengthened our allies according to the strategic plans of the Allied Nations as a whole. Unlike methods used in previous wars, lend-lease focused directly on the aid to be rendered rather than upon the dollar sign to be placed on the war materials and services furnished by the United States. It was not a loan of money nor was it provided for the exclusive benefit of the recipient country. We helped other peoples under lend-lease because at the time their interests coincided with our interests.

In settling the lend-lease accounts with our World War II Allies, the United States has not made it a practice to obtain payment for the value of all equipment and services furnished other nations for use during the war. No compensation has been requested for articles and services which were lost, consumed or destroyed during the war, nor for combat items such as tanks, aircraft, etc., in the custody of the Armed Forces of our allies at the end of the war. It has been the policy and practice of the United States to require payment for lend-lease goods in the possession of other countries at V-J Day which were of a civilian type useful in the peacetime economy of the recipient country and for lend-lease delivered after V-J Day.

There were two phases of lend-lease with most of our World War II Allies: (1) lend-lease requested and delivered to our allies before V-J Day, and (2) lend-lease requested before V-J Day and for which procurement contracts had been placed but which was not produced or delivered to an Ally until after V-J Day. When World War II came to an end large quantities of such lend-lease supplies and equipment were in production or storage in the United States. Our Government informed its Allies that if they wished to obtain these lend-lease materials they would either have to pay for them or undertake to make payment upon terms to be mutually agreed before the goods would be transferred.

The Soviet Government has agreed to pay for lend-lease delivered after V-J Day. In an agreement signed on October 15, 1945, the U.S.S.R. undertook to pay for undelivered lend-lease articles which were in production or in storage in the United States before V-J Day. The total amount to be paid by the U.S.S.R. for these articles is \$222,494,574. This is to be paid in 22 annual installments, with interest at 2½ percent per annum. The Soviet Government has been making regular partial payments on this account and as of July 1, 1962, has paid a total of \$100,807,451. The United States did not complete deliveries to the U.S.S.R. under this agreement. In making annual payments on

account, the Soviet Government deducts certain sums which it claims as compensation or damages resulting from the failure of the United States to complete deliveries under the agreement. In view of these deductions and since the question of the Soviet claims has not been settled, the U.S. accounting records show an arrearage of \$46,626,012.

The United States has been unable to reach a settlement with the Soviet Government for lend-lease assistance which was delivered before V-J Day.

The United States furnished approximately \$10.8 billion worth of lend-lease assistance to the Soviet Union up to V-J Day. In seeking a settlement of this lend-lease account of the Soviet Government, the United States has followed the basic principles and policies, previously described, which governed lend-lease settlements with other governments. The Soviet Government has been asked to pay the reasonable value of civilian-type lend-lease articles on hand in the Soviet Union at V-J Day which would be useful in peacetime. Since the U.S.S.R. did not provide an inventory of such articles, the United States prepared one which showed the value as \$2.6 billion. An additional problem relates to the disposition to be made of 84 lend-lease merchant ships and 49 miscellaneous army and navy watercraft still in Soviet custody, the value of which is not included in the \$2.6 billion figure.

During the initial negotiations the United States in 1948 requested the U.S.S.R. to pay \$1.3 billion as the first step in the negotiating process. The Soviet Government had offered to pay \$170 million. During subsequent negotiations in 1951-52, the U.S. figure was reduced to \$800 million. In the interest of obtaining a prompt settlement, the United States indicated its readiness to reduce this sum further provided the Soviet Government increased its offer, which at the time was \$240 million, to a sum more nearly reflecting the value of the articles in the peacetime economy of the Soviet Union. The U.S.S.R. increased its offer to \$300 million. The United States did not consider this sum adequate and rejected the offer in 1952. The foregoing sums do not include settlement for any ships since these were to be dealt with as a separate part of the overall negotiations. No further settlement offer has been received from the U.S.S.R.

At the request of the United States, negotiations were resumed on January 11, 1960. The United States proceeded on the understanding that the negotiations were to deal solely with a lend-lease settlement. When the discussions began, however, the Soviet Government insisted that a lend-lease settlement could not be considered as a separate and independent problem. It took the position that any settlement of lend-lease would have to be accompanied by the simultaneous conclusion of a trade agreement giving most-favored-nation treatment to the Soviet Union, and the granting by the United States of long-term credits on terms acceptable to the Soviet Union.

During the negotiations the United States explained why it is not in a position to negotiate on either a bilateral trade agreement or the extension of long-term credits. It was pointed out that existing law prevents the granting of most-favored-nation treatment to the Soviet Union and that other laws and policies have an effect upon Soviet-United States trade. On the question of credits the United States took the position that legal and policy considerations made it impossible for the United States to discuss this matter in the lend-lease negotiations. The Soviet position remained unchanged.

Under these circumstances there was no agreement on the terms of reference to the negotiations and there appeared to be no common ground for continuing the discussions at that time. The last meeting was

held on January 27, 1960. The United States informed the Soviet Government that it is prepared to resume negotiations for an overall lend-lease settlement at any time the Soviet Government is ready to negotiate on this as a separate and independent issue.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I had not intended to speak on the rule; but I think in view of the argument that has been made the record should be set completely straight at this time. In the first place I think the entire amendment as changed by the conferees should be read into the RECORD at this time because it clearly illustrates the intention of the gentleman from Illinois as expressed in the amendment which he offered when this bill was before the House originally, that:

None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereinafter incurred by any Communist country.

The only difference in the amendment which is now before the House and the amendment originally offered is that regardless of whether it was in the national interest of the United States or not, regardless of the need on the part of the President of the United States to make a determination that a guarantee of a sale was in the national interest, regardless of the necessity on the part of the President in the exercise of his leadership in the field of foreign affairs, it would be completely impossible to realize these aims if we should return to the language in the amendment as originally offered—

Mr. OLIVER P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I shall not yield at this time.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. ALBERT. Mr. Speaker, attention has been directed to the letter of the President of the United States to Senator MANSFIELD. The President of the United States stated in this letter:

I strongly urge that the Senate reject the amendment attached to the foreign aid appropriation bill which would prevent any use of the facilities of the Export-Import Bank in connection with all trade with Communist countries.

The Senate has before refused to accept this proposal, and it is even less justified now than before. In one of the last letters of his life, President Kennedy pointed out plainly that the Export-Import Bank has a record of judgment which fully justifies confidence in its ability to use its powers wisely, with a net gain to the taxpayer.

Mr. AYRES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.]

The Chair has already counted a quorum.

Mr. ALBERT. Mr. Speaker, the point here it seems to me is this: First, are we going to restrict the President of the United States in the exercise of his constitutional powers to speak as the voice of this country in foreign policy? Second—and I think this is most important,

and most important to the Members who voted for the motion to recommit when this bill was before the House previously—those Members had no opportunity to vote for an amendment with an escape clause that would state the policy of this country and at the same time would give the President of the United States the opportunity to exercise his constitutional powers in the interest of, and after a determination of the interest of the United States.

Mr. Speaker, in view of this fact, it seems to me that we should go along with the conferees, that we should adopt this amendment, and adopt the conference report.

Mr. MEADER. Mr. Speaker, will the gentleman yield to me?

Mr. ALBERT. I yield to the gentleman, if I have time.

Mr. MEADER. Does the gentleman from Oklahoma mean to say that the Congress does not have the authority to lay down national policy and that we must do it through the President?

Mr. ALBERT. We are doing that very thing in this amendment. We are laying down basic policy, without infringing upon the constitutional authority of the President of the United States.

Mr. SMITH of California. Mr. Speaker, I have another request for time.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. O'Konski].

Mr. O'KONSKI. Mr. Speaker, this is the second time this year that I have taken the floor of the House. I do not want the year to end without wishing you all a Merry Christmas and a Happy New Year.

Mr. Speaker, I just ask a simple question. Do we know what we are doing here tonight? Here we are appropriating \$3 billion in foreign aid to fight, to resist, to stop communism in the world. That is the purpose of the foreign aid bill. However, in order to be sure that we have to spend that money, we are going to provide for \$500 million worth of credits by the U.S. Government to supply the Russians with wheat to make them strong throughout the world and to be sure that we have to spend this \$3 billion that we are providing for in this bill.

In other words, Mr. Speaker, in one breath we are saying to the world we have got to appropriate \$3 billion of the taxpayers' money to fight communism and in another section of the bill we say we are going to provide the Russians with approximately \$500 million worth of credit with which to buy wheat so that they can keep their army in Poland, they can keep their army in Bulgaria, in Czechoslovakia, Latvia, Lithuania, and Estonia, and to continue their armies in Cuba 90 miles from our very shores.

Mr. Speaker, I, for the life of me, cannot understand why we are appropriating money in one breath to resist communism and in another breath appropriating money and providing credit to help communism. This is par for the other body. We expect things like that from them. But this House has to defend the people against their irresponsible action.

This bill is an insult to the people of America. It takes \$3 billion from the taxpayers to stop communism and then

takes another \$500 million of taxpayers' money to help communism. To me this is nonsense. Let us awaken to what we are doing. Merry Christmas and a Happy New Year.

Mr. ROBISON. Mr. Speaker, I hope the House tonight will stand firm on its position barring any Export-Import Bank credit on any trade deal with Communist nations. There is more involved here than in getting an early start on our respective journeys home for Christmas.

Let us take a look at this Russian wheat deal. It was first presented to the American people by the late President Kennedy as a private, commercial transaction—a one-shot deal—for cash presumably gold, and it was supposed to help the American wheat farmer as well as the American taxpayer, and ease our balance-of-payments problem. There was even to be a side benefit to the hard-pressed American shipping industry in that the wheat was to be transported to Russia in American bottoms.

Now—in the space of a few short weeks—nearly all of this has been changed. Our Government, through various of its agencies and officials, has been involved in the protracted negotiations with the Russians up to its bureaucratic neck. There have been ample indications that, far from being a single transaction, this wheat sale is to pave the way for a whole new concept of our hitherto restrictive trading policies with Communist countries—and all practically without any consultation with Congress.

That Russian gold has evaporated off the top of the "barrelhead," and, Russian commercial credit in this country being zero, it is now proposed that the deal be saved by the granting of a Russian credit guarantee to insure that the American grain-export dealers who are putting the deal together will not lose their money. In essence, this means that the American taxpayer will be underwriting, with his money, the good faith, the good intentions and the good credit of Mr. Khrushchev and his cronies.

How good is that Russian credit, which here will be to the tune of, perhaps, 80 percent of the total \$250 million wheat deal? Well, as I have said, Khrushchev's commercial credit—through normal international banking circles—is zero, and it does not seem to me that its government-to-government credit, and that is what we are now talking about, ought to be figured very much higher.

Why? Because as of June 30, this year, the Secretary of the Treasury reported that the Russians owed us a balance of over \$621 million on their World War I indebtedness to the United States, and in addition—according to my information—they received some \$11 billion from us in World War II aid, of which vast sum, after the war, they agreed to repay only some \$321 million, toward which we have so far received only about \$110 million.

I know this is the season for "good will towards all men"—and I am moved by that spirit—but I just think it goes beyond all reason and the proper limits of enlightened charity for us to be trying to so finance both sides of the cold war

at one and the same time. For this reason, this limiting amendment—as originally passed by the House—had a proper place in the foreign aid bill, a bill financing a program that is supposed to have been designed and administered so as to combat and contain the declared Communist ambition to enslave the whole world.

It is clear that the Russians have gold with which to pay for our wheat—if they really want it and need it that badly. So far this year, they have "dumped"—or sold—some \$365 million worth of gold on the international market—nearly double the amount of their previous year's sales.

Already we have yielded to an undetermined degree on the American shipping requirement—to sell Khrushchev wheat at a cost of 56 cents a bushel less than the cost of the same wheat to an American buyer. What point is there in yielding any further on what was a dubious bargain to begin with?

The conferees are now suggesting to us that we give the President authority to sidestep this restriction on credit—which was carried here in this body earlier this week by a substantial margin—whenever he finds it proper to do so in the national interest. And—take special note—the language they suggest would permit of such Presidential discretion not only in connection with this wheat deal, where it would undoubtedly be applied, but with respect to any and all future similar transactions, as well.

Now, I should not wish to be a party, in any way, in any move to restrict the President's power and right to determine upon and conduct this Nation's foreign policy, subject to such constitutional duties as are imposed upon him with respect thereto. However, the Constitution clearly states that it is the Congress that has the power to—and I quote from article I, section 8, thereof—"regulate commerce with foreign nations." I do not think, in the light of the precedent we may hereby be establishing, that we should lightly or hastily lay aside our responsibility in this respect. Most assuredly we should not do so on adjournment eve, when many of our colleagues are absent, and we are, perforce, operating under abnormal legislative conditions.

In my considered judgment, we should proceed to agree to the compromise amount suggested for mutual security purposes, hold fast to the position we have already taken here in this body on the question of credit to Communist nations, and hope that the other body will finally consent to let the matter rest here until we have reconvened in January, and can go into this whole question of cold war trading policies in a thorough and responsible manner.

Mr. PUCINSKI. Mr. Speaker, we are debating here a very important question which I believe deserves our most careful attention.

You will recall that some time ago, our Government indicated it would take under consideration any request made by the Soviet Union to purchase some of our surplus wheat. Several weeks of intensive discussion and study of the question

followed. Every responsible public opinion poll showed that an overwhelming majority of Americans favored the sale of our surplus wheat to the Soviet Union, especially since most other countries, including our neighbor to the north, Canada, are now selling wheat to the Soviet Union.

Finally, after hearing all of the evidence pro and con, our late President Kennedy suggested it would be in the national interest to sell Soviet Russia our surplus wheat under several conditions including one that the wheat would have to be shipped in American ships and that all sales would be on a cash-on-the-line basis.

President Kennedy said that since all other countries are selling wheat to the Soviet Union, we might as well get rid of our surpluses which cost us millions of dollars in storage fees, and at the same time strengthen our gold reserve position since the Soviets would have to pay for the wheat in gold.

President Kennedy's suggestion won overwhelming approval of the American people. We all understood that every grain of American wheat that goes to Russia helps demonstrate again and again the complete bankruptcy of the Communist system. Our wheat is produced by American farmers who are free; Russia's wheat shortage is being caused by Soviet farmers who are slaves of communism.

The Soviet Union has begun negotiating with our Government for the purchase of \$300 million worth of our surplus wheat. At this moment we do not know if the agreement will be consummated.

We are debating here an amendment which is necessary if the sale is to be considered any further.

The amendment states as follows:

None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961 as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national except when the President determines that such guarantees would be in the national interest and reports each such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committee and shall contain a statement by the President of the reasons for such determination.

Mr. Speaker, you will notice that this amendment differs only slightly from the original amendment offered a few days ago in the House. This amendment adds the additional language "except when the President determines that such guarantees would be in the national interest."

What this amendment actually does is expressed in unequivocal terms that the Congress is opposed to insuring any sales to the Soviet Union by American

grain dealers unless such action is proven by the President to be in the national interest.

It should be remembered that the Export-Import Bank does not issue any loans per se. This agency is nothing more than an insurance agency which protects American exporters from losses in the event a foreign government defaults in its payments to an American company.

I personally am strongly opposed to extending any credit to the Soviet Union. But the Constitution vests in our President the responsibility of determining foreign policy. I cannot conceive any circumstance under which the President would be justified in extending any credit to the Soviet Union, especially since we are well acquainted with the Soviet Union's horrible record of keeping its word on agreements. But I do not have access to all of the facts regarding international relations which the President has. Therefore, while I personally oppose any credit to the Soviets, I do not want to deny our President—Democrat or Republican—his constitutional right to determine foreign policy.

It should be remembered, however, Mr. Speaker, that the language provided in the amendment may never be needed in our proposed wheat sale to the Soviets. President Kennedy said all sales of wheat should be on a cash-on-the-barrel basis. This amendment in no way changes our original position. I, for one, shall insist that any sale of American surplus wheat to Soviet Russia must be on a cash-and-carry basis. What this amendment would do is that in the event some hitch occurs in the payment of funds by the Soviet Union to the American firms which handle the sale, these firms could be protected by the Export-Import Bank. But these firms have to pay the bank a premium for this protection.

The Export-Import Bank was created to encourage American firms to get into the export business without jeopardizing their investments in the event foreign countries default on payments to American firms. We have a favorable balance of trade; that is, we export more than we import. We have this favorable balance of trade because American businessmen are now willing to sell abroad because their contracts are protected by the Export-Import Bank. Exports mean jobs to American workers.

I believe the language in the amendment fully protects the American people. It requires the President to first prove to Congress and the American people that sales of wheat to the Soviet are in the national interest.

This resolution clearly states that we are opposed to any sale to the Soviets unless such sales are on a cash-and-carry basis, and credit can be extended only when it is in the national interest.

I believe we should not lose sight of the fact that this bill before us today reduces foreign aid by \$1.9 billion. This is the biggest cut ever voted in the foreign aid program and I am happy to support these cuts. I have stated throughout this session that the American people will support military and

economic assistance to our allies but only when the American people are certain all waste has been eliminated. I believe this \$1.9 billion cut reflects our determination to phase the entire program out as soon as possible.

Mr. Speaker, statements have been made that this amendment would help feed Communists with American credit. I do not believe this is true. We have stated that our policy is to sell wheat to the Soviets only on a cash-and-carry basis. The Soviets are paying cash to other nations and while there has been some mention of a 25-percent cash downpayment, I can only reaffirm that my own position will be to insist all sales of wheat to Russia must be on a cash-and-carry basis.

Mr. Speaker, I believe the vast number of Americans who support this sale of surplus wheat to Russia do so because they believe such sales clearly demonstrate how thoroughly bankrupt is the Communist system. I have said before and I will say again, we Americans, as free people, have consistently been able to show how superior is our system as compared to the Soviet philosophy. I believe the very fact that we have wheat surpluses to sell to the Soviet Union demonstrates again the vigor of American free enterprise. I have not the slightest doubt that American freedom will ultimately bury Soviet Communist slavery. Those who oppose this demonstration of American superiority have little faith in the strength of America. I do not believe the Soviet Union can ever fully explain to its people how it is that America has such abundance under capitalism to be able to sell its surpluses to the Soviets.

I should like to emphasize again: President Johnson may never use this authority of the Export-Import Bank. As a matter of fact, I doubt if he will and I certainly hope he never will, but I do not believe we should tie his hands. The Constitution of the United States clearly states the President shall set foreign policy. This is a time when all Americans should join ranks to support our President in charting a course which will bring about the ultimate collapse of communism and the victory of freedom.

I have infinite trust and confidence in President Johnson. He is a dedicated American whose only goal in life is to see America and its free institutions triumph over Communist tyranny. He is our President and I can think of no more effective way to impede his dedication to America than to tie his hands at this crucial moment in history when it is becoming more and more clear that communism can be defeated without armed warfare.

I will take my stand beside my President and I am sure most Americans will support the President on this issue.

One final point, Mr. Speaker. Opponents of the amendment have tried to create the impression that this amendment somehow would pay for the wheat to the Soviets. May I emphasize that there is not a penny in the bill to buy wheat for the Russians. The amendment would in no way help the Soviets purchase the wheat, but this amendment

would tie the hands of the Export-Import Bank, the very agency which was established to protect American firms which try to save the American taxpayer millions of dollars in storage costs by getting rid of our surplus wheat commodities.

Mr. ASHBROOK. Mr. Speaker, I oppose the adoption of this rule. Once again the American people are being deceived, slapped in the face and insulted by the so-called foreign policy experts of this country. The State Department has once again had its way and this means that we will lose and the Communists will gain. The latter's declared purpose is to bury us and this aim will be augmented by the action of the Congress in capitulating from its position of earlier this week whereby we declared that the Communists should not get credit in their purchase of wheat from the United States. The distinguished gentleman from Louisiana [Mr. PASSMAN] fought a great battle but in the end his position did not prevail.

How dumb can we get? We are stupid to sell wheat to the Soviet Union in the first place but this stupidity pales into insignificance when it later comes to pass that we must furnish them credit to assure the transaction. Who in the United States except the State Department appeasers would believe that the Communist credit is worth anything? We were told in the beginning that this transaction would help offset our flow of gold, that we would improve our balance-of-payments position by selling this wheat surplus to our mortal enemies. As if this were not a mirage, the next step in this sellout was indicated in the Thursday, November 21, 1963 Washington Post in a front-page story under the heading "Threat Seen to Soviet Wheat Deal." The lead paragraphs tell the story:

Congress was told yesterday that the Russian wheat deal probably will fall through unless the Government can guarantee private financing of the transaction. The warning was given in testimony before the Senate Banking Committee by Secretary of the Treasury C. Douglas Dillon.

Thus, we not only are called upon to subsidize the Communists to the tune of about 60 cents per bushel, we also must yield in the matter of ships flying the American flag, and, on top of that, provide for possible assurance of credit. Were a private citizen to propose such a deal he would be put in the insane asylum.

The Congress has shown a shocking propensity to compromise on basic principles. How can we possibly think we are protecting the interest of the American taxpayers by this weak-kneed compromise? There should be a positive prohibition in the law, not a statement of the will of Congress with a presidential exception. Bureaucrats have been calloused in their disregard of these pronouncements. We made the same error in the so-called Latta amendment whereby the positive prohibition offered by my distinguished colleague the gentleman from Ohio Representative DELBERT LATTA, was changed by this body into a statement of principle. I insert at this

point a letter from Secretary of Agriculture Freeman which should answer the question whether or not this compromise is meaningful. Of course it is not and we will get the same answer when the Export-Import Bank guarantees credit to the Communists. In fact this compromise is less meaningful since the President can waive it. Note, in particular, the fourth paragraph of this letter. It is always easy to skirt around a declaration by saying it is not binding.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, April 24, 1963.

Hon. JOSEPH M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR MR. ASHBROOK: This is in reply to your letter of March 28 regarding the transfer of certain nonfat dry milk for distribution to children and other needy persons in Cuba.

Five million pounds of nonfat dry milk have been made available to the American Red Cross, and an additional 5 million pounds are in the process of being donated, to be distributed through noncommercial channels to children and other needy persons under the supervision of the Red Cross organization.

The American Red Cross requested and received the nonfat dry milk to which reference is made pursuant to section 1431, title 7 of the United States Code (as revised by sec. 302 of Public Law 480, 83d Cong.), which authorizes donations to approved non-profit voluntary agencies for distribution to needy persons in foreign countries. The containers for the nonfat dry milk are marked "Donated by the people of the United States of America," and the containers also bear the symbol of the American Red Cross. Local distribution is being made through the Cuban Red Cross.

With reference to the policy statement of the Congress as set forth in section 2(c) of the Agricultural Act of 1961, it is understood that this section is a general declaration of congressional policy which the legislative history indicates was directed toward commercial transactions other than those under Public Law 480, which are involved in the expansion of trade between this and other countries. Section 2(c) neither amends nor repeals any provision of law, and does not in itself constitute a statutory prohibition on action otherwise authorized by law. In this connection, it is noted that section 104 of the act which contains section 2(c) provides that "Nothing in this act shall be deemed to limit the authority of the Secretary of Agriculture under other provisions of law or to establish or consult with advisory committees."

You, of course, are aware of the huge surplus quantity of nonfat dry milk in Commodity Credit Corporation's inventory, for which we are unable to find any available outlet. It was the judgment of those concerned that the exigencies of the situation warranted this particular movement of milk, and that the best interest of the Government was served thereby.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

This is no compromise in any sense of the word. We started out with the Findley amendment which was an absolute prohibition on the guaranteeing of credit to the Communists. The so-called compromise provides legislative authority to the President to authorize this credit when he deems it in the national interest. This is meaningless because in a letter to the Senate, he has already stat-

ed that he believes sales of wheat to the Soviet Union are in the national interest. It is worse than this because the language of the conference committee substitute provides no opportunity for the Congress to block this action once taken by the President. It simply requires that he submit a report to specified committees of the Congress when he makes such a determination, not even requiring a time limit for so doing. This is a broad delegation of authority, our authority, to the President and the State Department.

It seems a little ridiculous to me, Mr. Speaker, that the bill before us would spend \$3 billion of our taxpayers money for the avowed purpose of bolstering the free world against communism and in the same bill we permit the President to authorize up to \$300 million in credit to these same Communists to buy our wheat. Why would they want our wheat? To strengthen themselves and be in a position to further spread their godless ideology throughout the world—the exact thing we are supposed to be fighting in this same bill. Where could this happen except in Washington? Is it any wonder that people are losing faith in their elected representatives?

Can we not open our eyes? The letter from Secretary Freeman will be duplicated in regard to guaranteeing credit for this wheat deal. We will get the same answer—the declaration the Democratic majority is forcing through here tonight "neither amends nor repeals any provision of law and does not in itself constitute a statutory prohibition on action otherwise authorized by law." In other words, a statement of congressional policy is meaningless.

As far as that goes, the 1934 Johnson Act barring credit to countries which are in default of their obligations to the United States, the Export Control Act of 1949 which placed several important controls on exports, prohibiting trade which would not serve our foreign policy objectives or national security, and the 1951 Mutual Defense Assistance Act, better known as the Battle Act, which embargoed shipment of war materials and strategic goods to Soviet-bloc nations, are still on the books and overlooked by the present administration. There is little intention to enforce these legislative enactments. Who can be so foolish as to think the State Department appeasers will abide by a mere declaration of congressional intent?

This is no compromise in any sense of the word. The Johnson administration has won and the people have lost. The Johnson administration fought for the right to guarantee credit to our enemies. A logical question is whether or not Secretary Rusk and President Johnson feel that the Communists are, in truth, our enemies? Is the cold war over? Mr. Speaker, we cannot blame the Communists. It is certainly in their interest that this compromise be passed. The blame cannot rest with this band of liars, murderers, and thieves if they proceed to take our wheat, accept our credit, and then default. The sole blame rests with the Democratic majority in this Congress and the administration. I hope the American people will call them to

account for this tragic retreat from principle.

Mr. DERWINSKI. Mr. Speaker, so much has been said concerning the controversial Mundt-Findley amendment to the foreign aid appropriation bill that I feel clarification is in order. I realize full well that all sorts of clarifying statements have been made, but frankly, they missed the point.

By selling wheat and other commodities at subsidized prices to the Soviet Union and other Communist countries under conditions dictated by the Soviet Union and its puppet states, we are engaging in a tragic, self-defeating operation.

What the administration is demanding the Congress do is place the stamp of approval on direct support of an international bandit, the Soviet Union. If I may rephrase the point, we are directly aiding "Mother Russia," a totalitarian nation under the czars with its visions of world domination extended and refined by Communist dictators.

At a time when the Soviet farm economy is completely collapsing, our subsidy and aid has the effect of saving them from self-destruction. Arms are twisted, pressure of all sorts is brought to bear, the leadership on the Republican side is outmaneuvered by false promises, and final approval of a completely watered-down, meaningless amendment is a victory for communism.

The Johnson administration has now completely clothed itself in the mantle of foreign policy of the last 3 years which basically is coexistence with communism and a slow surrender to Red pressure in all parts of the world.

GENERAL LEAVE TO EXTEND

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks on House Resolution 598.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken and the Speaker announced that the "ayes" appeared to have it.

Mr. DOLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 182, nays 95, answered "present" 1, not voting 156, as follows:

[Roll No. 251]

YEAS—182

Addabbo	Blatnik	Corbett
Albert	Boggs	Corman
Andrews, Ala.	Boland	Daddario
Arends	Bonner	Daniels
Ashley	Brademas	Davis, Ga.
Ashmore	Brooks	Delaney
Aspinall	Broomfield	Dent
Avery	Burleson	Denton
Barry	Byrne, Pa.	Dingell
Bates	Chelf	Dorn
Beckworth	Cohelan	Downing
Bell	Conte	Dulski
Bennett, Fla.	Cooley	Duncan

Edmondson	Kilgore	Roosevelt
Edwards	King, Calif.	Rosenthal
Elliott	Kirwan	Roush
Everett	Libonati	Roybal
Fallon	Lindsay	Ryan, N.Y.
Farbstein	Long, La.	St Germain
Finnegan	Long, Md.	St. Onge
Fisher	McFall	Schweiker
Flood	McMillan	Schwengel
Fogarty	Madden	Secrest
Ford	Mahon	Selden
Fountain	Marsh	Senner
Fraser	Mathias	Sheppard
Frelinghuysen	Matsunaga	Sibal
Friedel	Matthews	Sickles
Fulton, Pa.	Mills	Smith, Va.
Gallagher	Minish	Smith, Iowa
Garmatz	Morgan	Springer
Gary	Morrison	Staebler
Gathings	Morse	Stafford
Gialmo	Murphy, Ill.	Staggers
Gilbert	Natcher	Steed
Gill	Nix	Stratton
Gonzalez	O'Brien, N.Y.	Stubblefield
Grabowski	O'Hara, Ill.	Thomas
Green, Oreg.	O'Hara, Mich.	Thompson, N.J.
Hagan, Ga.	Olsen, Mont.	Toll
Hagen, Calif.	Olson, Minn.	Tuck
Haley	O'Neill	Tupper
Halleck	Passman	Tuten
Halpern	Patten	Udall
Hanna	Pepper	Ullman
Hansen	Perkins	Van Deerlin
Harding	Pike	Vanik
Hardy	Pilcher	Waggonner
Healey	Pirnie	Wallhauser
Hechler	Poage	Watson
Hemphill	Pool	Weitner
Henderson	Price	Westland
Holland	Pucinski	White
Huddleston	Reid, N.Y.	Whitener
Jarman	Rhodes, Ariz.	Wickersham
Jennings	Rivers, Alaska	Williams
Joelsson	Rivers, S.C.	Wilson
Johnson, Wis.	Robison	Charles H.
Karsten	Rodino	Winstead
Karth	Rogers, Fla.	Young
Keith	Rooney, N.Y.	Zablocki

NAYS—95

Abele	Curtin	Moore
Alger	Derwinski	Morton
Anderson	Dole	Mosher
Ashbrook	Dowdy	Norblad
Ayres	Feighan	O'Konski
Baldwin	Findley	Pelly
Battin	Goodling	Pillion
Beermann	Griffin	Poff
Bennett, Mich.	Gross	Quile
Berry	Grover	Reid, Ill.
Betts	Gurney	Reifel
Bolton	Harsha	Rich
Frances P.	Harvey, Mich.	Roudebush
Bolton	Horan	Rumsfeld
Oliver P.	Horton	Saylor
Bow	Jensen	Schadeberg
Brock	Johansen	Schenck
Bromwell	Johnson, Pa.	Schneebeli
Brotzman	Jonas	Shriver
Broyhill, N.C.	Knox	Skubitz
Broyhill Va.	Laird	Smith, Calif.
Bruce	Langen	Snyder
Burton	Latta	Stinson
Byrnes, Wis.	Lipscomb	Taft
Cameron	McClory	Thomson, Wis.
Chamberlain	McDade	Utt
Chenoweth	MacGregor	Weaver
Clausen,	Martin, Calif.	Whalley
Don H.	May	Widnall
Cleveland	Meador	Wilson, Bob
Collier	Michler	Wilson, Ind.
Cramer	Miller, N.Y.	Wyman
Cunningham	Minshall	

ANSWERED "PRESENT"—1

Hosmer

NOT VOTING—156

Abbutt	Burkhalter	Donohue
Abernethy	Cahill	Dwyer
Adair	Cannon	Ellsworth
Andrews,	Carey	Evins
N. Dak.	Casey	Fascell
Auchincloss	Cederberg	Fino
Baker	Celler	Flynt
Baring	Clancy	Foreman
Barrett	Clark	Forrester
Bass	Clawson, Del	Fulton, Tenn.
Becker	Colmer	Fuqua
Belcher	Curtis	Gibbons
Bolling	Dague	Glenn
Bray	Davis, Tenn.	Goodell
Brown, Ohio	Dawson	Grant
Brown, Calif.	Derounian	Gray
Buckley	Devine	Green, Pa.
Burke	Diggs	Griffiths

Gubser	McCulloch	Roberts, Tex.
Hall	McDowell	Rogers, Colo.
Harris	McIntire	Rogers, Tex.
Harrison	McLoskey	Rooney, Pa.
Harvey, Ind.	Macdonald	Rostenkowski
Hawkins	Mailliard	Ryan, Mich.
Hays	Martin, Nebr.	St. George
Hébert	Martin, Mass.	Scott
Herlong	Miller, Calif.	Shelley
Hoeven	Milliken	Shipley
Hoffman	Monagan	Short
Holifield	Montoya	Sikes
Hull	Moorhead	Siler
Hutchinson	Morris	Sisk
Ichord	Moss	Slack
Johnson, Calif.	Multer	Stephens
Jones, Ala.	Murphy, N.Y.	Sullivan
Jones, Mo.	Murray	Talcott
Kastenmeier	Nedzi	Taylor
Kee	Nelsen	Teague, Calif.
Kelly	O'Brien, Ill.	Teague, Tex.
Keogh	Osmers	Thompson, Tex.
Kilburn	Ostertag	Thompson, La.
King, N.Y.	Patman	Tollefson
Kluczynski	Philbin	Trimble
Kornegay	Powell	Van Pelt
Kunkel	Purcell	Vinson
Kyl	Quillen	Watts
Landrum	Rains	Wharton
Lankford	Randall	Whitten
Leggett	Reuss	Willis
Lennon	Rhodes, Pa.	Wright
Lesinski	Riehlman	Wylder
Lloyd	Roberts, Ala.	Younger

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Holifield for, with Mr. Hosmer against.
 Mr. Keogh for, with Mr. Becker against.
 Mr. Philbin for, with Mr. Derounian against.
 Mr. Donohue for, with Mr. Short against.
 Mr. Hébert for, with Mr. McCulloch against.
 Mr. Thompson of Louisiana for, with Mr. Kilburn against.
 Mr. Willis for, with Mr. Van Pelt against.
 Mr. Kornegay for, with Mr. Cederberg against.
 Mr. Nedzi for, with Mr. Bray against.
 Mr. Multer for, with Mr. Clancy against.
 Mr. Shipley for, with Mr. Ellsworth against.
 Mr. Sisk for, with Mr. Glenn against.
 Mr. Slack for, with Mr. Del Clawson against.
 Mr. Burke for, with Mr. Andrews of North Dakota against.
 Mr. Barrett for, with Mr. Younger against.
 Mr. Martin of Massachusetts for, with Mr. Quillen against.
 Mr. Miller of California for, with Mr. Martin of Nebraska against.
 Mr. Murphy of New York for, with Mr. King of New York against.
 Mr. Osmers for, with Mr. Hoffman against.
 Mr. Morris for, with Mr. Devine against.
 Mr. Moss for, with Mr. McLoskey against.
 Mr. Evins for, with Mr. Hoeven against.
 Mr. Celler for, with Mr. Harrison against.

Until further notice:

Mr. Gray with Mr. Adair.
 Mrs. Griffiths with Mr. Nelsen.
 Mr. Hays with Mr. McIntire.
 Mr. Hull with Mr. Kyle.
 Mr. Kluczynski with Mr. Hall.
 Mr. Abernethy with Mr. Siler.
 Mrs. Sullivan with Mrs. St. George.
 Mr. Taylor with Mrs. Dwyer.
 Mr. Trimble with Mr. Baker.
 Mr. Watts with Mr. Belcher.
 Mr. Macdonald with Mr. Goodell.
 Mr. Montoya with Mr. Wharton.
 Mr. Fuqua with Mr. Teague of California.
 Mr. Fulton with Mr. Harvey of Indiana.
 Mr. Rogers of Texas with Mr. Ostertag.
 Mr. Roberts of Texas with Mr. Cahill.
 Mr. Randall with Mr. Dague.
 Mr. Lankford with Mr. Fino.
 Mrs. Kelly with Mr. Wylder.
 Mr. Buckley with Mr. Tollefson.
 Mr. Powell with Mr. Mailliard.
 Mr. Scott with Mr. Curtis of Missouri.
 Mr. Ryan of Michigan with Mr. Talcott.
 Mr. Rostenkowski with Mr. Riehlman.

Mr. Lesinski with Mr. Kunkel.
 Mr. Johnson of California with Mr. Hutchin-
 son.
 Mr. Burkhalter with Mr. Gubser.
 Mr. Carey with Mr. Foreman.
 Mr. Rooney of Pennsylvania with Mr. Auchincloss.

Mr. QUIE and Mr. MACGREGOR changed their vote from "yea" to "nay."

Mr. BELL changed his vote from "nay" to "yea."

Mr. HOSMER. Mr. Speaker, on this vote I have a live pair with the gentleman from California [Mr. HOLIFIELD], who, if present, would have voted "yea." I voted "nay." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON FOREIGN AID APPROPRIATION BILL

Mr. PASSMAN submitted the following conference report and statement on the bill (H.R. 9499), an act making appropriations for foreign aid and related agencies for fiscal year ending June 30, 1964, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1087)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 10, 13, 27, 28, 29, 30, 31, 32, and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 7, 12, 17, 18, 19, 21, 23, and 24, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$155,000,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$116,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$330,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$135,000,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$375,000,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert "\$687,300,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment and insert "\$92,100,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$19,900,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: Restore the matter stricken, amended to read as follows:

"None of the funds made available because of the provisions of this Title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national except when the President determines that such guarantees would be in the national interest and reports each such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate."; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 14, 22, 25, and 26.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
WILLIAM H. NATCHER,
JOHN J. RHODES (I reserve
on amendment No. 20),
GERALD R. FORD (I reserve
on amendment No. 20),

Managers on the Part of the House.

CARL HAYDEN,
ALLEN J. ELLENDER,
JOHN L. MCCLELLAN,
SPESSARD L. HOLLAND,
JOHN O. PASTORE,
MIKE MONRONEY,
GALE W. MCGEE,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
MARGARET CHASE SMITH,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—FOREIGN AID (MUTUAL SECURITY)

Economic assistance

Amendment No. 1—Development grants: Appropriates \$155,000,000 instead of \$150,000,000 as proposed by the House and \$175,000,000 as proposed by the Senate. None of the reduction in the amount allowed is to be applied against the malaria control program.

Amendments Nos. 2 and 3—American hospitals and schools abroad: Insert language proposed by the Senate and delete language proposed by the House.

Amendment No. 4—International organizations and programs: Appropriates \$116,000,000 instead of \$100,000,000 as proposed by the House and \$130,903,000 as proposed by the Senate. None of the reduction in the amount allowed is to be applied against the Children's Fund.

Amendment No. 5—Supporting assistance: Appropriates \$330,000,000 instead of \$300,000,000 as proposed by the House and \$380,000,000 as proposed by the Senate.

Amendment No. 6—Contingency fund: Appropriates \$50,000,000 as proposed by the House instead of \$32,900,000 as proposed by the Senate.

Amendments Nos. 7 and 8—Inter-American social and economic cooperation program: Insert language proposed by the Senate and appropriate \$135,000,000 instead of \$100,000,000 as proposed by the House and \$180,000,000 as proposed by the Senate.

Amendment No. 9—Alliance for Progress, development loans: Appropriates \$375,000,000 instead of \$350,000,000 as proposed by the House and \$425,000,000 as proposed by the Senate.

Amendment No. 10—Alliance for Progress, development grants: Appropriates \$80,000,000 as proposed by the House instead of \$100,000,000 as proposed by the Senate.

Amendment No. 11—Development loans: Appropriates \$687,300,000 instead of \$600,000,000 as proposed by the House and \$800,000,000 as proposed by the Senate.

Amendment No. 12—Inserts language proposed by the Senate relating to the use of deobligated funds.

Amendment No. 13—Military assistance: Appropriates \$1,000,000,000 as proposed by the House instead of \$977,700,000 as proposed by the Senate.

Amendment No. 14—General provisions: Reported in disagreement.

TITLE II—FOREIGN AID (OTHER)

Amendments Nos. 15 and 16—Peace Corps: Appropriate \$92,100,000 instead of \$89,000,000 as proposed by the House and \$98,100,000 as proposed by the Senate; and provide that not to exceed \$19,900,000 shall be available for administrative expenses instead of \$19,500,000 as proposed by the House and \$20,300,000 as proposed by the Senate.

Amendment No. 17—Ryukyu Islands: Provides that not to exceed \$2,300,000 shall be available for administrative and information expenses as proposed by the Senate instead of \$2,000,000 as proposed by the House.

Amendment No. 18—Assistance to refugees in the United States: Appropriates \$39,717,137 as proposed by the Senate instead of \$56,000,000 as proposed by the House.

Amendment No. 19—Investment in Inter-American Bank: Inserts language proposed by the Senate.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Amendment No. 20: Restores House language which was stricken by the Senate relating to the guarantee of sales amended giving discretionary authority to the President with the provision that such determinations by him be reported to the Committees on Appropriations of the House and Senate and the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate.

TITLE IV—LEGISLATIVE BRANCH

Amendment No. 21—Senate: Inserts heading as proposed by the Senate.

Amendment No. 22: Reported in disagreement.

Amendments Nos. 23 and 24: Insert heading and appropriate \$190,000 for miscellaneous items as proposed by the Senate.

Amendments Nos. 25 and 26: Reported in disagreement.

TITLE V—INDEPENDENT OFFICES

New Jersey Tercentenary Celebration Commission

Amendment No. 27: Deletes the proposal of the Senate to appropriate \$150,000 for the Commission as there is no authorization for this appropriation.

TITLE VI—CLAIMS AND JUDGEMENTS AND GENERAL PROVISIONS

Amendments Nos. 28–33: Insert section numbers.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
WILLIAM H. NATCHER,
JOHN J. RHODES (I reserve on
amendment No. 20),
GERALD R. FORD (I reserve on
amendment No. 20),
Managers on the Part of the House.

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 9499), an act making appropriations for foreign aid and related agencies for fiscal year ending June 30, 1964, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of December 21, 1963.)

Mr. PASSMAN. Good morning, Mr. Speaker.

Mr. Speaker, at this late hour of the night or, rather, early in the morning, I shall limit my time in discussing this conference report.

I want to say that the conference agreement is the best job that it was possible for us to accomplish in the circumstances which exist.

This appropriation bill comes back to the House from the conference committee \$1,525,325,000 below the budget estimates. It is \$602,075,000 below the amount authorized by the legislation which the Congress passed just a week or so ago. It is only \$198,300,000 above the House appropriation figure, but it is \$273,203,000 below the Senate appropriation figure. The bill now before the House calls for a round figure of \$3 billion, which is the lowest appropriation made for foreign aid in many years, plus, of course, the usual carryover of unobligated funds, which amounts to approximately \$260 million. That figure is about \$45 million higher than the estimate which we gave the House previously.

Let me say now, Mr. Speaker, that I do not like a Federal Government wheat-sale arrangement with reference to Communist countries any better than any other Member of this House does. But with privileges comes responsibilities. And, as chairman of the subcommittee charged with the responsibility of protecting the position of the House in conference on this appropriation bill to the greatest extent possible, I must face up to my responsibility and endeavor to

help reach the very best agreement that is possible. I believe that all of the conferees will concur that this conference agreement was the best that we could reach.

Let us be realistic, Mr. Speaker. The so-called Mundt amendment which was agreed to by the conferees requires two things specifically: The President must determine that financing such assistance by the Export-Import Bank is necessary, and the President must report each such determination to the Appropriations and Foreign Relations Committees of the Senate and the Appropriations and Foreign Affairs Committees of the House.

In addition, our Government would not be subsidizing the credit to the countries who will purchase the wheat, or whatever the commodities might be, but, rather, the Export-Import Bank will make a profit from such transactions.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. FORD. First, I want to compliment the gentleman from Louisiana on the role that he played in making certain that we would have an opportunity to have a clear-cut vote on the issue.

I am grateful personally for his help and assistance in this regard.

I want to ask the gentleman whether or not in his judgment the language which is proposed in the conference report requires the President to make a report to the Congress promptly after his determination.

Mr. PASSMAN. On each such determination such a report must be made. We must take into account, also, that the provision expires entirely on June 30, 1964, under this bill.

It is my understanding that the President will make a determination that will be promptly reported to the Appropriations Committee and the Foreign Affairs Committee of the House and the Foreign Relations Committee and the Appropriations Committee of the Senate.

Mr. FORD. Are you saying that the determination and notification should be made simultaneously?

Mr. PASSMAN. That is, in effect, my understanding, that the actions will be virtually simultaneous. And there will be a report for each determination. If, for example, there are 20 such determinations, the President will report 20 different times to the four congressional committees specified in the bill.

Mr. FORD. The determination in each instance and the notification will be virtually simultaneous?

Mr. PASSMAN. That is my understanding.

May I add, Mr. Speaker, that it is the understanding of the managers on the part of the House that the language of the so-called Mundt amendment relating solely to sale of American products to Communist countries is designed to limit the authority to guaranteeing, or insuring, loans in connection with such sales after an appropriate finding is made by the President. I think that this is a positive definition and limitation and I want the Record to so state.

Mr. Speaker, we have tried to do a creditable job in conference on this bill, the very best that has been possible for us to accomplish.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman.

Mr. HALLECK. Is it not true that we are operating now under a continuing resolution and it extends until January 31 of next year?

Mr. PASSMAN. Yes, and at a ceiling of \$3.9 billion.

Mr. HALLECK. I understand they are doing a little better under the continuing resolution than they would do under this bill, and that is certainly something we should keep in mind.

Mr. PASSMAN. They may spend at the rate of \$1 billion a year better.

Mr. HALLECK. But, on the other hand, will the gentleman not agree with me that this matter of helping to finance the people we are supposed to be fighting is the sort of thing we ought to get settled right here and now?

Mr. PASSMAN. May I say again that I do not like such a financing arrangement. But, and I repeat, this is the very best agreement that we could reach in conference. It would have been impossible in the circumstances for us to bring back any better bill than we have done.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman from Virginia.

Mr. GARY. Is it not true that in the interest of maintaining the position of the House that at 4:30 o'clock this afternoon we got up and walked out of the conference room without any agreement at all?

Mr. PASSMAN. We certainly did.

Mr. GARY. And we subsequently went back into the conference room upon the urging of the Senate and upon the urging of the leadership of the House and finally reached an agreement?

Mr. PASSMAN. That is correct. This has been the most difficult conference in which this committee has ever been engaged. We worked for hours and hours doing the very best that we could do.

Mr. HALLECK. Mr. Speaker, will the gentleman yield further?

Mr. PASSMAN. I yield to the gentleman.

Mr. HALLECK. Will not the gentleman agree with me that if the motion to recommit, which is to be offered here and which we voted for by a very substantial vote here in the House is to be adopted—will not the gentleman agree with me that very likely we could get the other body to recede and concur in what we are doing?

Mr. PASSMAN. The other body has taken a very positive position in two previous votes on this subject.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I would like to point out to the gentleman in the House that no one questions the tremendous

ability of the gentleman from Louisiana to extract the most practicable dollar adjustment. The question is the so-called Mundt-Findley amendment. I would like to point out two things, and the gentleman will please correct me if I am wrong. One is, under the language proposed in the conference report, once the President makes the determination that the guarantee will be in the national interest, that ends it. There is not any recourse that the Congress has, so it is an empty gesture.

The other point is, early in October when the public was first told we feel that the Soviet Union and its satellites should be permitted to purchase, it was clearly stated it would be a cash-on-the-line deal. What we have now is a repudiation of the administration position of 2½ months ago. I do not believe the gentlemen on that side of the aisle wish to repudiate the position of early October.

Mr. PASSMAN. May I say to the gentleman that in the foreign-aid bill the presentations are illustrative. Under the legislation approved by this House the witnesses could justify 25 projects for Guatamala, for example, and could then take that same money and start projects in Indonesia. Everything is illustrative. They can spend the money wherever they want to spend it.

Why the Congress has not tightened up this legislation before this time, I do not know. However, I have not heard some of my friends who are now complaining oppose giving the executive the authority requested in the authorizing legislation, to make money available, for example upon Presidential determination, to Indonesia and Egypt and Yugoslavia.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Speaker, I commend the gentleman for his efforts on holding down foreign aid expenditures, but I see my colleague from Virginia [Mr. HARDY] here on the floor, and I would like to remind the gentleman of the fight that Congressman HARDY put up to use the power of the purse to get information about foreign aid expenditures and that the House backed him up. However, in conference the gentleman from Louisiana yielded to the Senate, as he is now, and permitted an escape clause where the President could make the determination on wiping out all of the teeth that the House put in the bill.

Mr. PASSMAN. Let me say to the gentleman that we did not yield to the Senate.

Mr. MEADER. The Hardy amendment had teeth. When a department of the Government refused to give information to the General Accounting Office or to committees of the Congress and 30 days expired, their funds would be shut off. But the Senate put in an amendment saying that the President could certify that that information should not be given and it was agreed to in conference. This is precisely the same type of operation that is involved in this

wheat amendment. We say one thing and then we say the President can decide it.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman from Louisiana.

Mr. BOGGS. For the sake of clarity it is important to understand exactly what happened in both bodies. The gentleman from Louisiana, the chairman of the conference on the House side, had to compromise with the other body. What happened? The other body voted on this amendment offered by the Senator from South Dakota [Mr. MUNDT], a month or so ago and voted the proposition down by a substantial vote. On yesterday, by a bipartisan vote of 52 to 32, again the other body knocked out all of this language; not part of it and not an amendment thereto but all of it. So that the chairman of the conference on the House side was faced with Senate language which contained none of this. Now he has come back with a proposal which is a limitation, so that for all practical purposes he has asked the other body to subscribe to something which twice it has rejected by a bipartisan vote. That is what the issue is that is before the House.

Mr. PASSMAN. That is correct. We did the very best that could be done to protect the House position.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. BATTIN. I would like some clarification of the statement the gentleman made earlier.

Mr. PASSMAN. To what statement does the gentleman refer?

Mr. BATTIN. The gentleman stated that if, in fact, the Export-Import Bank guaranteed the credit it would show a profit to the bank.

Mr. PASSMAN. That is correct.

Mr. BATTIN. Does not that assume that Russia will repay the loan?

Mr. PASSMAN. It is my understanding that the terms, if credit is extended, will be 25 percent cash, 25 percent payable in 6 months, 25 percent in 12 months, and 25 percent in 18 months. The bank terms provide for one-fourth of 1 percent profit for guaranteeing the loan.

Mr. BATTIN. In the event Russia did not repay the obligation who, then, would make up the loss?

Mr. PASSMAN. The same people who are making up the loss of \$10 billion annually that foreign aid is costing us.

Mr. BATTIN. Are we not talking about the cash payment?

Mr. PASSMAN. Yes.

Mr. BATTIN. Does not Russia owe us a great deal of money at the present time?

Mr. PASSMAN. So far as I know, every nation on the face of the earth owes us money. The bill before the House right now provides money for 100 nations around the world. I wish to note, in this connection, that I have never voted for the foreign aid authorization bill, but this does not mean, of course, that I am not going to face up to my responsibility as a member of the Appropriations Committee and as chair-

man of the Foreign Operations Appropriations Subcommittee.

Mr. Speaker, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Speaker, I want to say right here and now that in my opinion the chairman of this subcommittee, the gentleman from Louisiana [Mr. PASSMAN] did as effective a job in negotiating with the other body as I have seen during my 11 years in this body. Let me point out the state of the Findley amendment, when we went into conference. We had adopted the Findley amendment in the House as a motion to recommit. The Senate struck out the language completely. There was nothing in the Senate bill on this subject. Therefore we had to start from scratch and negotiate something. And, Mr. Speaker, if you think that the language which we brought back came easily let me disabuse your mind of that completely. This is the result of long and hard negotiation.

The gentleman from Louisiana has said that he is not satisfied with it. I am not satisfied with it. The gentleman from Michigan and I have reserved on this amendment and at the proper time I shall offer a motion to recommit it, because I feel the language of the Findley amendment which we adopted in the House is much better language and should be adopted. However, let me say in the next breath that there is much to be said for this amendment. In the first place, if you are going to have a foreign aid bill at all, in my opinion, this is the amendment best calculated to get it.

Now, a lot of you do not care whether we have a foreign aid bill or not. But let me remind you that the Government is now spending foreign aid money at the rate of \$3.9 billion a year. This bill is some \$900 million less. We could save money. I think practically all of us feel that foreign aid expenditures are too high. I am not sure that we would not be subject to some criticism if we were to delay too long in taking a bill which is as much lower than last year this one is. This bill is \$900 million lower than the amount which was appropriated in the last year. Thus, as far as the figures of the bill are concerned, I do not think there could be very much in the way of dissatisfaction on the part of the House with the bill. The bill is \$3 billion, which is some \$197 million higher than the House figure but \$273 million lower than the Senate figure.

Mr. Speaker, I certainly believe that as far as the gentleman from Louisiana is concerned, he has done a magnificent job, and I commend the gentleman for it.

I would like now to reiterate the point which the gentleman from Michigan made in his colloquy with the chairman. If the President decided that he wanted to allow the Export-Import Bank to participate in a guarantee to a Communist country, he has to do two things: The first thing he has to do is to make a determination that it is in the national interest.

The second thing that he must do is notify the committees of the House of

Representatives and the Senate. In other words, he has two things to do, and in my opinion and I think in the opinion of the other conferees, he has to do them simultaneously. So, there is nothing left hanging insofar as the time of the reporting is concerned before the President can avail himself of the authority which would be in this amendment to provide for an exception. He would have to do both.

Mr. OLIVER P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Ohio.

Mr. FINDLEY. For the purpose of clarification, could the gentleman give me assurance that his interpretation of this language means that the President would have to announce his determination before making a final commitment on these transactions?

Mr. RHODES of Arizona. As far as I can tell that would not be the situation. As the gentleman has so well pointed out in his own statement, there is nothing in here which keeps the President from making the determination.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from Arizona has expired.

Mr. PASSMAN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. RHODES of Arizona. There is nothing in here which keeps the President from making that determination. All he has to do is to notify the proper committees of the House of Representatives and the Senate.

Mr. FINDLEY. If the gentleman will yield further, there would be no opportunity for the Congress or its committees to come back and argue the merits of the determination; is that correct?

Mr. RHODES of Arizona. That is precisely correct. However, of course, the Congress could, if it felt strongly enough about it, pass legislation which would have the effect of stopping such transactions in the future.

Mr. FINDLEY. Would the gentleman not agree that the President as of yesterday clearly went on public record to the effect that he has made a determination that sales of wheat and other farm commodities to Communist Russia are in the national interest?

Mr. RHODES of Arizona. Of course, the gentleman realizes that a new determination has to be made with each transaction under the terms of this amendment?

The gentleman is correct, though, as far as the present state of mind of the President is concerned, as I would interpret it from his statement. He apparently does feel that it is in the national interest to make such guaranties.

Let me say this one further thing: It was said before, and I would like to repeat it. When the first idea of any sale of wheat to Russia came about, it was to be the payment of gold for the wheat. Then, after that it became "something" for wheat. Now we know what it is. It is 25 percent cash.

Mr. OLIVER P. BOLTON. I do not really know what is meant by cash. If you mean rubles then I do not think that is cash. If you mean dollars it is. But the rest of it is credit.

Mr. RHODES of Arizona. I certainly do intend to push my motion to recommend because, in my opinion, such transactions with Communists are not in the interest of the United States of America.

The SPEAKER pro tempore. The time of the gentleman from Arizona has again expired.

Mr. PASSMAN. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman has stated that he does not know whether it will be rubles or dollars. If I understand it correctly, if the Russians buy wheat in this country, they are going to buy it from the dealers. I do not know of any dealers in the United States who would accept rubles. Would the gentleman agree that that is true?

Mr. RHODES of Arizona. I do not have any way of knowing what the deal would be. Certainly, if the dealer wanted to accept something besides dollars, he probably could.

Mr. GARY. If the gentleman will yield further? If he wanted to accept rubles instead of dollars, that would be his choice. But I cannot imagine any dealer in the United States accepting rubles. Most of our dealers are pretty good businessmen. They want the cold cash in American dollars. The gentleman, I think, would agree with me that that is correct?

Mr. RHODES of Arizona. I think, certainly, that it would be a good business deal for any grain dealer if he could get the kind of guarantee that is provided in these transactions.

Mr. DOLE. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Kansas.

Mr. DOLE. I think we should make it plain that this is not an amendment that only applies to wheat. This talks about any product. I think many of us have confined it to a narrow limitation and that is to wheat alone. It would guarantee, in effect, the financing and the purchase of any product. The gentleman indicated that if we reject this there will not be any foreign aid bill. Does that mean there will be no foreign aid if we reject this?

Mr. RHODES of Arizona. No. Of course, there is a continuing resolution which would be good until the 31st of January. The expenditures would be at the rate of \$3.9 billion instead of \$3 billion, as provided in the bill. There is no reason to believe that further continuing resolutions might not be adopted after this one runs out; in fact, it would be entirely possible for an agency to operate for the whole fiscal year on a continuing resolution.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Speaker, the plain facts are that if Congress adopts the language in the conference report the Congress of the United States of America is and will be abdicating our

responsibility as representatives of the people and we will turn that responsibility over to the President of the United States. The American people will know that we, the Members of this House, are so afraid that we might create a feeling in the mind of the President of the United States that we do not trust him. That is not the case at all. It is our responsibility to legislate for the people of the United States. If we abdicate our responsibility we are not fit to sit in the House of Representatives.

Mr. RHODES of Arizona. Let me just say in closing that I agree with the gentleman from Iowa, but I think I should point out that as of now the President of the United States has the authority to enter into these agreements if he so desires. There is no inhibition as far as I know under the present interpretation of the law, against the President's entering into any of these guarantee agreements with Communists. I agree that the Findley amendment would be much better, but I would also state that the amendment which we brought back in the conference report would put us in a better situation than we have right now. At least we have here an important and vigorous statement of congressional intent. Also, we have here a provision whereby there would be at least notification to the committees of the House and Senate before such a guarantee could be made.

Mr. PASSMAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, the plain truth is that probably the greatest job that our new President has is handling our relationship with the Soviet Union. Many would agree that probably this is his No. 1 job. Under the Constitution it is peculiarly within his jurisdiction. It is his responsibility under our system to represent our country in international matters.

As has just been pointed out so ably by the gentleman from Arizona [Mr. RHODES] under the existing law the President has every right to make these negotiations relating to sales of wheat to the Soviet Union.

There are certain prerogatives that are peculiarly within the purview of the Congress, such as the constitutional provision that we raise and equip armies, but our Constitution gives to the President the responsibility for handling problems with foreign countries. I realize we have some responsibility in this area, but it does seem to me that our new President should not be downgraded or appear to be downgraded, in the eyes of the American people or in the eyes of the world by a vote which may be interpreted as a vote of no confidence in him in the handling of perhaps his biggest job; dealing with the Soviet Union.

The question before us is not whether we favor the sale of wheat to the Soviet Union. The question is whether in the beginning of the period of service of the new President we will give him the flexibility which he has requested in the handling of foreign affairs. I for one, here in the beginning of his administration,

am willing to give him this flexibility. He is able, informed, and experienced and he is going to be answerable to the American people. The correctness of his decision on these matters can be decided at a later date even perhaps at the ballot box. We ought not to deny the President the flexibility which he has requested in an area where he has a special constitutional responsibility.

Let me say that this is, therefore, no abdication of authority by Congress. This proposal, this limitation upon our President in the handling of an international matter, is more of an encroachment in a sense upon the President than an abdication by the Congress.

When we voted on the matter on Monday, we did not have an unequivocal statement from the President as to his position. It is true that many of us have been disturbed over this issue, but on yesterday, rather the day before, the President in unequivocal language stated to the Congress that he opposed the language which the motion to recommit seeks to enact into law, the motion should be rejected.

The President did not say he was going to use the Export-Import Bank. He asked that he not be denied the flexibility of using the Export-Import Bank. So, Mr. Speaker, I think there is room here for agreement on the part of all of us regardless of how we may have voted on Monday and regardless of how we feel on the issue of wheat sales to Russia. There is room here for us to accept the compromise represented by this conference report. I think we can get together and support these men who wrote the conference report—support the gentleman from Louisiana [Mr. PASSMAN] and his committee—and I commend the gentleman from Arizona [Mr. RHODES] for the statement he has made. I think we can support the conference report and support our President and give him the full opportunity to be our spokesman in this important matter involving foreign affairs.

Mr. PASSMAN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, let me apologize to you for taking your time.

In the first place, to our colleagues on both sides of the aisle who served on this conference committee, we owe them a debt of gratitude. You do not have to apologize for what you did. If there has been any mistake that has been made, we made it in this House when we adopted the so-called Findley amendment the other day, and the other body was exactly right when they took it out.

Let us get right down to the issue now. This motion to recommit ought to be voted down. As my colleagues must surely know, I am not in the habit of giving your money away. This is the first time I have voted for this bill in about 12 or 13 years—and you reduced it by \$1 million.

You gentlemen know they do not grow 1 bushel of wheat in my neck of the woods.

Gentlemen, the Constitution gives to the President the authority to conduct your foreign affairs. Why do you not,

through the device of a limitation on an appropriation, come up and say that the President of the United States cannot open up an embassy in Moscow until the Appropriations Committees of the House and Senate approve the amount of money that is going to be spent on that embassy in Moscow—that is exactly what you are doing here. Just think that over now. Would you also say by such a limitation on the use of funds—say to the President, “You cannot send the fleet to the Mediterranean until the House Appropriations Committee and the Senate Appropriations Committee approves the amount of money you are going to spend”?

This is a matter of the conduct of our foreign affairs and, yet, we are trying to come through here by a back-door device and say that this is a limitation on the expenditure of funds. It may be that, but certainly it is a limitation on the President's authority.

We have a new President now. Do you doubt him? He is trying to do a job. There is not one red cent appropriated here for the Export-Import Bank. And you know it and I know it.

Now we are aiming at the sale of wheat here. You are spending about \$1½ billion—and let us get down to the facts—on subsidies and interest, storage charges and transportation charges. It is running out of our ears. Now let us sell that wheat. If we do not sell it, Canada is going to sell it and some of our allies are going to sell it. Who are we? Are we a little bit ‘holier than thou’? Oh, yes, we are—sure we are—and if we do not sell it, then they will sell it.

Of course, if you are looking into your crystal ball and we are going to fight Russia in about 6 or 7 months, then certainly we ought not to sell it under any circumstances. But does anybody think we are going to war? Let us not tie the hands of our President. He is patriotic just like we are. His job is to keep us out of war—and he is trying. Let us not here take every tool that he needs away from him.

Mr. Speaker, certainly we ought not to take this authority away from our President. May I respectfully say to you to vote down this kind of provision and let our able friend, the gentleman from Pennsylvania, Dr. MORGAN, and his able Committee on Foreign Affairs of this body handle this matter. Do not do it through the Committee on Appropriations. Do not destroy your committee system and that is what you will be doing now if you adopt this restrictive language.

Mr. PASSMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. Ford].

[Mr. Ford addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. FORD. Mr. Speaker, on Monday, along with 219 others, I voted for the Findley-Jensen motion to recommit. As has been mentioned here earlier, I refused to sign this part of the conference report, referring to amendment No. 20. The gentleman from Arizona did as well. On this vote I intend to vote for the motion to recommit.

Now, I would like to say without hesitation or qualification that everybody who wants to vote for the motion to recommit owes a debt of gratitude to the gentleman from Louisiana [Mr. PASSMAN]. Without his wholehearted cooperation it could not have happened, and I believe against his own personal wishes he made it possible for us to have this issue cleared. I compliment him on it and thank him for this help and assistance.

The alternatives, parliamentarywise, without his cooperation, would have been far worse. Because of his help, because of his cooperation, we now have on the line whether the vote taken on Monday will be upheld or whether this proposal that is in the conference report will be approved. The issue will be whether the House will give to the executive branch of the Federal Government open-end authority to deal with the Soviet Union and other Communist nations with the credit assistance of the Export-Import Bank. This is the issue. I feel that we tonight, under all the circumstances, should meet it head on. As for myself, I intend to sustain what we did on Monday when 219 Members of this body voted for the motion to recommit, including 66 Members on the other side of the aisle.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Indiana.

Mr. HALLECK. Every once in a while we are lectured by our friends on the other side of the aisle about political consequences. I said earlier, and I want to say it again, I am not interested in financing arrangements to help the Russians or the Communists in their effort against us, and I do not believe that the American people are interested in that sort of an endeavor.

Much has been said about supporting the President. Well, I know President Johnson possibly just about as well as any of you, and I have for him the greatest respect and the highest regard. However, what we are doing here is appropriating the money of the people of the United States. I do not think it is incumbent upon us just to appropriate the money and not say in some way at least how it shall be used. I think it is our right, not only our right but our responsibility, when we see something that is proposed that we do not like, when we have the opportunity, to do what we ought to do to see to it that the money is spent in line with what actually would serve the best interests of the people as we see it.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Nebraska.

Mr. BEERMANN. Mr. Speaker, I would like to ask a question for clarification on this amendment No. 20. I would like to ask if the words “in connection with the purchase of any product by such country, agency, or national” means just agricultural surplus commodities such as wheat and corn, and so forth, or does it include fertilizer and fertilizer plants?

Mr. FORD. The word “product” has a very broad connotation. I would hate

in the limited time available to try and define precisely what commodities or other materials are involved within the definition of this word.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield further?

Mr. FORD. Surely.

Mr. BEERMANN. It looks to me as though we are financing food for the Communists at the same time that they are getting ready to or they are purchasing products from us which would be fertilizer plants and getting in a position to produce that food. I think the amendment should be voted down, and I thank the gentleman for yielding.

Mr. FORD. I would hope that the definition intended here would be very restricted and very limited rather than a broader interpretation. From past experience, however, you can get some “Philadelphia lawyers” down in the department and they can stretch the meaning of a word rather broadly. I only would counsel them that they ought to be very careful if this modified language is approved.

Mr. GARY. Mr. Speaker will the gentleman yield?

Mr. FORD. I would be glad to yield to the gentleman.

Mr. GARY. Is it not true that we already have on the books a law which prevents the sale of any strategic materials to Communist countries?

Mr. FORD. There is such legislation, but I do not think potash as a commodity would fall within that definition.

Mr. GARY. I do not know whether it would or not, but I just want to call the attention of the House to the fact that we already have legislation on the books which would prevent the sale of strategic materials.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. And that provision can be waived by the President if he deems it to be in the national interest to sell strategic materials.

Mr. FORD. Mr. Speaker, as I indicated earlier, I hope the motion to recommit prevails. I believe that when we appropriate money or when we as a legislative body deal in funds that had their origination from congressional action we have the responsibility and the duty to make certain decisions as to how it shall be spent. For that reason I support the motion to recommit.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. Ford] has expired.

Mr. PASSMAN. Mr. Speaker, I yield the gentleman 1 additional minute.

Will the gentleman from Michigan yield to me?

Mr. FORD. I yield to my Chairman.

Mr. PASSMAN. There are no appropriated dollars involved and there would be none unless there is a default; is that correct?

Mr. FORD. It is correct to a degree. But the money that we are dealing with at one point came from the American taxpayer. This being the case we have a responsibility to look at the problem and to make certain recommendations as to how such funds shall be used. So

in my opinion we have a very legitimate area of responsibility. This is why I personally feel that, feeling as I do, we ought to vote for the motion to recommit.

Mr. PASSMAN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, as the chairman of the Appropriations Subcommittee has remarked this is nothing but a guarantee of credit to American citizens who are going to sell wheat.

In 1957 the Export-Import Bank negotiated a loan to Poland for \$30 million. One purpose was to buy a tinplate mill in this country. There was a 5-year grace period on that loan. Payments started to come in last year; and at 4½ percent interest. In 1958 we loaned again through the Export-Import Bank \$25 million to purchase pharmaceutical products and other products in this country. In 1959 another \$6 million was loaned through the Export-Import Bank. If it is wrong today it was wrong then.

Let us not forget what happened then. We did not attempt to tie President Eisenhower's hands with restrictive amendments of this kind. I do not think we ought to tie the hands of the man who is now in the White House by this type of amendment.

Poland is adhering to the schedule of repayments for these loans. This amendment is unduly restricted and should be defeated.

Mr. PASSMAN. Mr. Speaker, I yield such time as he may desire to use to the distinguished Speaker of the House.

Mr. McCORMACK. Mr. Speaker, I shall make my remarks brief. I think the gentleman from Illinois [Mr. FINDLEY] very frankly stated the issue when he said that this question goes right to the point of our foreign policy. Let us pause for a moment and realize the responsibility in the field of foreign policy and where that responsibility mainly lies. Under the Constitution the President of the United States is the sole repository of that responsibility in the field of foreign affairs.

The Findley amendment simply ties the hands of the President of the United States in the matter that is involved in the issue before the House today. The compromise gives the President the right to exercise judgment, not when he desires it, but only in the national interest of the United States. That is the paramount question confronting you and me at all times, confronting all officials—the national interest of our country. The only time, under the compromise, when the President can make an exception is where the national interest of our country is involved in the foreign affairs of our Nation.

The gentleman from Pennsylvania, the chairman of the Committee on Foreign Affairs, called attention to the fact that when former President Eisenhower was in the White House, no attempt was made to try and tie his hands or to invade completely his constitutional responsibility in the field of foreign affairs. It has never been done with reference to any President that I know of in the past.

Mr. Speaker, only a few weeks ago a very tragic event happened in this country in the assassination of our late, beloved President, John Fitzgerald Kennedy. His successor, President Johnson, has many trying problems confronting him. Uppermost in his mind is the national interest of the United States.

Are we going to deny to President Johnson what we gave to other Presidents? Are we going to deny to him the power to perform his duties under the Constitution? That is the question involved.

I hope my colleagues, without regard to party, will realize the serious question involved concerning the foreign policy of our country; that is, whether or not we are going to take away completely from the President of the United States the exercise of judgment where the national interest of our country is involved.

It is a dangerous step to take, my colleagues. I hope the motion to recommit will be defeated.

Mr. PASSMAN. I yield 1 minute to the distinguished gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I had not intended to speak on this matter, as I am not a member of this committee. However, I think we ought to set the record straight.

The distinguished Speaker has just pointed out that this Congress has never passed any type legislation like this before, tying the President's hands. I know he would want the record to show that the 87th Congress, passed such legislation. I refer to the Agricultural Act of 1961, Public Law 87-128, August 8, 1961, which President Kennedy signed into law, and which states in its declaration of policy:

SEC. 2. It is hereby declared to be the policy of the Congress to (c) expand foreign trade in agricultural commodities with friendly nations, as defined in section 107 of Public Law 480, Eighty-third Congress, as amended (7 U.S.C. 1707), and in no manner either subsidize the export, sell, or make available any subsidized agricultural commodity to any nations other than such friendly nations and thus make full use of our agricultural abundance.

This Congress did make a similar declaration and President Kennedy signed the act containing it.

Mr. PASSMAN. Mr. Speaker, may I say again that the Senate will not accept this bill with this amendment out. They turned it down on two occasions. They will turn it down again.

Mr. Speaker, I have worked 800 hours, and listen, if the Members will. I trust you will not recommit this bill. If you do, we are going to be here on Christmas eve.

Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. RHODES of Arizona. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RHODES of Arizona. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RHODES of Arizona moves to recommit the conference report on the bill H.R. 9499 to the committee of conference with instructions to the managers on the part of the House to insist on disagreement to Senate amendment No. 20.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. RHODES of Arizona. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 141, nays 136, answered "present" 3, not voting 153, as follows:

[Roll No. 252]

YEAS—141

Abele	Feighan	Pelly
Alger	Findley	Pillion
Anderson	Fisher	Pirnie
Andrews, Ala.	Ford	Poff
Arends	Fountain	Quile
Ashbrook	Goodling	Reid, Ill.
Ashmore	Griffin	Reid, N.Y.
Avery	Gross	Reifel
Ayres	Grover	Rhodes, Ariz.
Baldwin	Gurney	Rich
Barry	Haley	Rivers, S.C.
Bates	Halleck	Robison
Battin	Halpern	Rogers, Fla.
Beermann	Harsha	Roudebush
Bell	Harvey, Mich.	Rumsfeld
Bennett, Mich.	Henderson	Saylor
Berry	Horan	Schadeberg
Betts	Horton	Schenck
Bolton,	Hosmer	Schneebell
Frances P.	Huddleston	Schweiker
Bolton,	Jarman	Schwengel
Oliver P.	Jensen	Secret
Bow	Johansen	Selden
Brock	Johnson, Pa.	Shriver
Bromwell	Jonas	Sibal
Broomfield	Keith	Skubitz
Brotzman	Kilgore	Smith, Calif.
Broyhill, N.C.	Knox	Smith, Va.
Broyhill, Va.	Laird	Snyder
Bruce	Langen	Springer
Burleson	Latta	Stafford
Burton	Lipscorn	Stinson
Byrnes, Wis.	McClory	Taft
Chamberlain	McDade	Thomson, Wis.
Chenoweth	McMillan	Tuck
Clausen,	MacGregor	Utt
Don H.	Marsh	Waggonner
Cleveland	Martin, Calif.	Wallhauser
Collier	May	Watson
Corbett	Meader	Weaver
Cramer	Michel	Westland
Cunningham	Miller, N.Y.	Whalley
Curtin	Minshall	Widnall
Derwinski	Moore	Williams
Dole	Morton	Wilson, Bob
Dorn	Mosher	Wilson, Ind.
Dowdy	Norblad	Winstead
Downing	O'Konski	Wyman

NAYS—136

Addabbo	Denton	Grabowski
Albert	Dingell	Green, Oreg.
Ashley	Dulski	Hagan, Ga.
Aspinall	Duncan	Hagen, Calif.
Beckworth	Edmondson	Hanna
Bennett, Fla.	Edwards	Hansen
Blatnik	Elliott	Harding
Boggs	Everett	Hardy
Boland	Fallon	Healey
Bonner	Farbstein	Hechler
Brademas	Finnegan	Hemphill
Brooks	Flood	Holland
Byrne, Pa.	Fogarty	Jennings
Cameron	Fraser	Joelson
Chelf	Frelinghuysen	Johnson, Wis.
Cohelan	Friedel	Karsten
Conte	Gallagher	Karth
Cooley	Garmatz	King, Calif.
Corman	Gary	Kirwan
Daddario	Gathings	Lankford
Daniels	Gialmo	Libonati
Davis, Ga.	Gilbert	Lindsay
Delaney	Gill	Long, La.
Dent	Gonzalez	Long, Md.

McFall	Pike	Staggers
Madden	Pilcher	Steed
Mahon	Poage	Stratton
Matsunaga	Pool	Stubblefield
Matthews	Price	Thomas
Mills	Pucinski	Thompson, N.J.
Minish	Rhodes, Pa.	Toll
Morgan	Rivers, Alaska	Tuten
Morrison	Rodino	Udall
Murphy, Ill.	Rooney, N.Y.	Ullman
Natcher	Roosevelt	Van Deerlin
Nix	Rosenthal	Vanik
O'Brien, N.Y.	Roush	Weltner
O'Hara, Ill.	Roybal	White
O'Hara, Mich.	Ryan, N.Y.	Whitener
Olsen, Mont.	St. Germain	Wickersham
Olson, Minn.	St. Onge	Wilson,
O'Neill	Senner	Charles H.
Passman	Sheppard	Wright
Patten	Sickles	Young
Pepper	Smith, Iowa	Zablocki
Perkins	Staehler	

ANSWERED "PRESENT"—3

Mathias	Morse	Tupper
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NOT VOTING—153

Abbitt	Gray	Murphy, N.Y.
Abernethy	Green, Pa.	Murray
Adair	Griffiths	Nedzi
Andrews,	Gubser	Nelsen
N. Dak.	Hall	O'Brien, Ill.
Auchincloss	Harris	Osmer
Baker	Harrison	Ostertag
Baring	Harvey, Ind.	Patman
Barrett	Hawkins	Philbin
Bass	Hays	Powell
Becker	Hébert	Purcell
Belcher	Herlong	Quillen
Bolling	Hoeven	Rains
Bray	Hoffman	Randall
Brown, Calif.	Hollifield	Reuss
Brown, Ohio	Hull	Riehlman
Buckley	Hutchinson	Roberts, Ala.
Burke	Ichord	Roberts, Tex.
Burkhalter	Johnson, Calif.	Rogers, Colo.
Cahill	Jones, Ala.	Rogers, Tex.
Cannon	Jones, Mo.	Rooney, Pa.
Carey	Kastenmeier	Rostenkowski
Casey	Kee	Ryan, Mich.
Cederberg	Kelly	St. George
Celler	Keogh	Scott
Clancy	Kilburn	Shelley
Clark	King, N.Y.	Shipley
Clawson, Del.	Kluczynski	Short
Colmer	Kornegay	Sikes
Curtis	Kunkel	Siler
Dague	Kyl	Sisk
Davis, Tenn.	Landrum	Slack
Dawson	Leggett	Stephens
Derounian	Lennon	Sullivan
Devine	Lesinski	Talcott
Diggs	Lloyd	Taylor
Donohue	McCulloch	Teague, Calif.
Dwyer	McDowell	Teague, Tex.
Ellsworth	McIntire	Thompson, La.
Evins	McLoskey	Thompson, Tex.
Fascell	Macdonald	Tollefson
Fino	Malillard	Trimble
Flynt	Martin, Mass.	Van Pelt
Foreman	Martin, Nebr.	Vinson
Forrester	Miller, Calif.	Watts
Fulton, Pa.	Milliken	Wharton
Fulton, Tenn.	Monagan	Whitten
Fuqua	Montoya	Willis
Gibbons	Moorhead	Wylder
Glenn	Morris	Younger
Goodell	Moss	
Grant	Multer	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Van Pelt for, with Mr. Tupper against.
 Mr. Morse for, with Mr. Derounian against.
 Mr. McCulloch for, with Mr. Mathias against.
 Mr. Becker for, with Mr. Keogh against.
 Mr. McLoskey for, with Mr. Hébert against.
 Mr. Quillen for, with Mr. Philbin against.
 Mr. Glenn for, with Mr. Donohue against.
 Mr. Bray for, with Mr. Nedzi against.
 Mr. Kilburn for, with Mr. Martin of Massachusetts against.
 Mr. Kornegay for, with Mr. Multer against.
 Mr. Scott for, with Mr. Ryan of Michigan against.

Mr. Whitten for, with Mr. Gray against.
 Mr. Abernethy for, with Mr. Murphy of New York against.
 Mr. Colmer for, with Mr. Miller of California against.
 Mr. Lennon for, with Mr. Clark against.
 Mr. Talcott for, with Mr. Moss against.
 Mr. Auchincloss for, with Mr. Celler against.
 Mr. Hoeven for, with Mr. Burke against.
 Mr. Harvey of Indiana for, with Mr. Barrett against.
 Mr. McIntire for, with Mr. Johnson of California against.
 Mr. Younger for, with Mr. Trimble against.
 Mr. Wylder for, with Mrs. Sullivan against.
 Mrs. Dwyer for, with Mr. Macdonald against.
 Mr. Clancy for, with Mr. Randall against.
 Mr. Osmer for, with Mr. Shipley against.
 Mrs. St. George for, with Mr. Rostenkowski against.
 Mr. Cederberg for, with Mrs. Griffiths against.
 Mr. Brown of Ohio, for, with Mr. Patman against.
 Mr. Del Clawson for, with Mr. Carey against.
 Mr. Andrews of North Dakota for, with Mr. Burkhalter against.
 Mr. Baker for, with Mr. Lesinski against.
 Mr. Tollefson for, with Mr. McDowell against.
 Mr. Riehlman for, with Mr. Monagan against.
 Mr. King of New York for, with Mr. Montoya against.
 Mr. Ellsworth for, with Mr. Moorhead against.
 Mr. Short for, with Mr. Bass against.
 Mr. Cahill for, with Mr. Davis of Tennessee against.
 Mr. Adair for, with Mr. Dawson against.
 Mr. Curtis for, with Mr. Powell against.
 Mr. Devine for, with Mr. Fascell against.
 Mr. Fino for, with Mr. Fulton of Tennessee against.
 Mr. Goodell for, with Mr. Harris against.
 Mr. Teague of California for, with Mr. Hays against.
 Mr. Ostertag for, with Mr. Hollifield against.
 Mr. Martin of Nebraska for, with Mr. Reuss against.
 Mr. Hoffman for, with Mr. Diggs against.
 Mr. Harrison for, with Mr. Rogers of Colorado against.
 Mr. Foreman for, with Mr. O'Brien of Illinois against.
 Mr. Siler for, with Mr. Leggett against.
 Mr. Hull for, with Mr. Watts against.
 Mr. Baring for, with Mr. Buckley against.
 Mr. Gubser for, with Mr. Brown of California against.
 Mr. Taylor for, with Mr. Shelley against.
 Mr. Hall for, with Mr. Sisk against.
 Mr. Nelsen for, with Mr. Slack against.
 Mr. Fuqua for, with Mr. Rooney of Pennsylvania against.
 Mr. Dague for, with Mr. Vinson against.
 Mr. Hutchinson for, with Mrs. Kelly against.
 Mr. Kyl for, with Mr. Kluczynski against.
 Mr. Kunkel for, with Mr. Flynt against.
 Mr. Herlong for, with Mr. Hawkins against.
 Mr. Rogers of Texas for, with Mr. Kastenmeier against.
 Mr. Stephens for, with Mr. Jones of Alabama against.
 Mr. Teague of Texas for, with Mrs. Kee against.
 Mr. Sikes for, with Mr. Murray against.

Until further notice:

Mr. Evins with Mr. Forrester.
 Mr. Thompson of Texas with Mr. Willis.
 Mr. Abbitt with Mr. Thompson of Louisiana.
 Mr. Gibbons with Mr. Roberts of Texas.
 Mr. Ichord with Mr. Grant.
 Mr. Rains with Mr. Purcell.

Mr. MORSE. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. DEROUNIAN. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. TUPPER. Mr. Speaker, I have a live pair with the gentleman from Wisconsin, Mr. VAN PELT. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. MATHIAS. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. McCULLOCH. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 875, making supplemental appropriations for certain activities of the Department of Health, Education, and Welfare, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Page 4, after line 15, insert:

"OFFICE OF EDUCATION

"Payments to school districts

"For an additional amount for 'payments to school districts', \$216,204,000."

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. LAIRD. Reserving the right to object, Mr. Speaker, on Thursday of this week the House passed a supplemental appropriation bill containing some \$42 million to carry on the new comprehensive program to combat mental retardation which was authorized in two acts passed by the House and agreed to by the Senate this year. This supplemental appropriation bill was limited to funding the mental retardation program so that this program could be effective immediately.

The Senate in considering this yesterday added \$216 million, for schools in federally impacted areas, for which no budget request was submitted by the President of the United States. On yesterday—Friday, December 20, CONGRESSIONAL RECORD, page 24201—I made a statement here on the floor of the House urging the President of the United States to submit a budget request for the impacted areas program under Public Law 874, and also funds for the National Defense Education Act student loan program. I also called the White House urging that the President sign a letter transmitting these two funding requests. These programs were both signed into law by President Johnson with a great deal of fanfare and publicity. Many people gained the impression he strongly

avored these programs, but no budget request has been submitted by him so that they can be carried out. This is a strange situation.

I had a conversation yesterday with the Director of the Bureau of the Budget. He advised me that both of these requests had been forwarded to the White House and awaited the President's signature.

Also I was interested in reading what a Member of the other body had to say in a hearing on last Wednesday on this subject. He said:

I thought that by all means this item should come in this particular bill and we could wait very properly for the facilities under Public Law 815 which also was extended for 2 years. I think I was stating the attitude of all four of the Senators who had discussed this matter this morning.

I also stated, Mr. Chairman, that I had talked yesterday on behalf of all of us to the Budget Bureau and to the White House and found that the Budget Bureau had completed its work on this matter and that their recommendation was on the White House desk for action if the President saw fit to take action immediately upon the signing of the authorization bill which was also on his desk and scheduled for signature this morning.

As of this hour the President has not requested any funds for the National Defense Education Act student loan program, nor has he requested funding for assistance to schools in federally impacted areas.

It seems to me that in view of the fact that the Chief Executive has rejected the Bureau of the Budget proposal for funding at this time we should not agree to the Senate amendment until we at least know his reasons for not requesting funds. So far as I know he has not even indicated why he is opposed to the requests of the Department of Health, Education, and Welfare which have the support of the Bureau of the Budget. To me this inaction is just incomprehensible.

It seems to me that if we agree to the program for assistance to schools in impacted areas now without the funding for the student loan program, it would be months before the funding for the student loan program would be made available. The funding for the student loan program is most important because there are many thousands of students that will be awaiting and needing these funds early in January. It seems to me the White House has made a grave error in not signing the letter of transmittal requested by the Bureau of the Budget and the Department of HEW. In view of this, I must object to the request at this time in hopes that such a letter of transmittal will be received from the President before this Congress adjourns.

The SPEAKER. Objection is heard.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speakers' table House Joint Resolution 875, making supplemental appropriations for certain activities of the Department of Health, Education, and Welfare, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. LAIRD. Reserving the right to object, Mr. Speaker, I raise the same objection to this request. The letter of transmittal with regard to the funds for the student loan program and assistance to schools in federally impacted areas has not been received from the President. It seems to me that before we adjourn this Congress we should insist that that letter of transmittal on the student loan program be submitted by the President of the United States. The student loan program is the most pressing funding need facing educational programs. Going to conference without such a funding request would be a grave error. Therefore, I will object to going to conference until the request of the President can be presented and considered by the conference committee. This is our last chance to secure funds for the student loan program. I direct attention of the House to my remarks of yesterday—CONGRESSIONAL RECORD, page 24201.

Mr. Speaker, under these circumstances I must object to going to conference at this time.

The SPEAKER. Objection is heard.

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution—House Joint Resolution 875—making supplemental appropriations for certain activities of the Department of Health, Education, and Welfare, with an amendment of the Senate thereto, and disagree to the amendment of the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. HALLECK. Mr. Speaker, was a motion to reconsider the vote just taken on the motion to recommit tabled?

The SPEAKER. The Chair thanks the gentleman.

A motion to reconsider the vote by which action was taken on the motion to recommit the conference report on H.R. 9499 making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, was laid on the table.

CONFERENCE REPORT ON APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES, FISCAL YEAR 1964

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 6754), an act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes which was ordered printed:

CONFERENCE REPORT (H. REPT. NO. 1088)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 32, 45, 46, and 47.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 6, 17, 25, 29, 31, 35, 40, and 44, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert "three"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$45,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$91,496,700"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$64,449,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$27,931,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$39,363,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$41,633,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$65,725,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$67,295,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,272,500"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amend-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 24, 1963

For actions of Dec. 23, 1963

88th-1st; No. 212

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HIGHLIGHTS: House refused to consider conference report on foreign-aid appropriation bill under suspension of rules. House Rules Committee cleared this conference report for vote today. House members discussed wheat for Russia.

HOUSE

1. FOREIGN-AID APPROPRIATION BILL. By a vote of 202-105 (with a two-thirds vote being necessary because the resolution did not lie over for a day), refused to consider a resolution from the Rules Committee to provide for consideration of the conference report on this bill, H. R. 9499, waiving points of order on the amendment relating to wheat for Russia (pp. 24289-91, ~~24290~~). Several members discussed the wheat-for-Russia amendment (pp. 24292, 24299-301).
2. LEGISLATIVE PROGRAM. Adjourned until 7 a.m. today when the conference report on the foreign-aid appropriation bill can be brought up by a majority vote (p. 24303). Majority Leader Albert said, "It would be my hope that immediately after the disposition of this matter we could adopt the sine die resolution" regardless of how the vote comes out (p. 24295).
3. FOREIGN AID. Rep. Conzalez inserted an address by Chester Bowles, "Why Foreign Aid?" pp. 24296-9
4. EDUCATION. Rep. Laird asked continuation of education aid for Federally impacted areas. p. 24302

ITEMS IN APPENDIX

5. CONSERVATION. Extension of remarks of Rep. Boland inserting an article, "J.F.K. Will Be Remembered For Revival of Conservation Movement." p. A7816
6. FOREIGN SECURITIES. Extension of remarks of Rep. Curtis inserting an article stating that "foreign investment creates exports and so creates jobs for Americans" and another article urging "Government to overhaul some of its loose monetary and fiscal policies" instead of taxing the holders of foreign securities. pp. A7822-3
7. UNEMPLOYMENT. Extension of remarks of Rep. Curtis inserting an interview on youth unemployment problem. pp. A7824-6
8. WHEAT FOR RUSSIA. Extension of remarks of Rep. Pucinski favoring the compromise amendment to the foreign-aid appropriation bill. pp. A7829-30

BILL APPROVED BY THE PRESIDENT

9. APPROPRIATIONS. H. R. 9139, the military construction appropriation bill, 1964. Approved December 21, 1964 (Public Law 88-220).



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PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

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WASHINGTON, MONDAY, DECEMBER 23, 1963

No. 213

Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, December 24, 1963, at 12 o'clock meridian.

House of Representatives

MONDAY, DECEMBER 23, 1963

The House met at 12 o'clock noon.
The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:
Psalm 145: 18: *The Lord is nigh unto all who call upon Him in truth.*

O Thou who art the supreme source of all wisdom and strength may we never be afraid to enter upon any new day, however freighted it may be with heavy burdens and difficult decisions.

Enable us by Thy grace to accept the overtures of Thy divine counsel and companionship and give us a clearer vision and a more vivid sense of the high and helpful things which we are privileged to do together as a Congress for the building of a nobler civilization.

Grant that we may leave this Chamber, when the hour of adjournment comes, commending and committing one another to Thy divine care and guidance.
Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Saturday, December 21, 1963, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2379. An act to provide for the establishment of a National Council on the Arts and a National Arts Foundation to assist in the growth and development of the arts in the United States.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names.

[Roll No. 254]

Abbutt	Fulton, Tenn.	Nedzi
Abele	Gallagher	Nelsen
Abernethy	Gibbons	O'Brien, Ill.
Adair	Gilbert	O'Brien, N.Y.
Addabbo	Glenn	Osmers
Alger	Goodell	Ostertag
Ashbrook	Grabowski	Philbin
Aspinall	Grover	Powell
Becker	Gubser	Quillen
Belcher	Hagan, Ga.	Reid, N.Y.
Blatnik	Haley	Reuss
Bolling	Halpern	Riehlman
Bonner	Harrison	Rodino
Bray	Harvey, Ind.	Rogers, Colo.
Brock	Harvey, Mich.	Rooney, Pa.
Brown, Ohio	Healey	Rostenkowski
Buckley	Hébert	Roudebush
Burkhalter	Henderson	Rumsfeld
Cannon	Herlong	Ryan, Mich.
Carey	Hollifield	Schenck
Cederberg	Hosmer	Schwengel
Celler	Hull	Scott
Clancy	Hutchinson	Shelley
Clawson, Del.	Joelson	Shipley
Collier	Jones, Ala.	Sibal
Corbett	Jones, Mo.	Siler
Cramer	Keogh	Smith, Calif.
Curtin	Kilburn	Snyder
Curtis	Kilgore	Springer
Dague	Knox	Staggers
Daniels	Kunkel	Shephens
Davis, Tenn.	Latta	Sullivan
Derounian	Lennon	Taft
Derwinski	Lesinski	Talcott
Devine	Long, La.	Taylor
Diggs	McCulloch	Tollefson
Dingell	Macdonald	Trimble
Donohue	Mailliard	Tuck
Ellsworth	Martin, Mass.	Tupper
Evins	Martin, Nebr.	Waggonner
Farbstein	Michel	Weltner
Fascell	Milliken	Whalley
Finnegan	Montoya	Wharton
Fino	Moore	Whitener
Ford	Morgan	Williams
Forrester	Morse	Wylder
Fountain	Morton	Younger
Frelinghuysen	Murphy, N.Y.	
Fulton, Pa.	Murray	

The SPEAKER. On this rollcall, 286 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN AID APPROPRIATIONS

(Mr. SMITH of Virginia asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Virginia. Mr. Speaker, the Committee on Rules this morning reported out a rule on the matter that has kept us here up to now.

As you all know, under the rules, this is supposed to lay over for 24 hours. If the question of consideration is raised, I expect to report the rule in a few minutes and ask for its present consideration. I hope in view of the situation, as long as we have been here, that it will be in order to do that and that the question of consideration will not be raised. Then we may consider this matter again today and dispose of it. We have considered it twice. The only reason for requiring us to have the two-thirds vote would simply be to delay the action to tomorrow. It would be in order tomorrow, and you will do the same thing tomorrow that I am asking you to do today. You would consider the rule. I very much hope that there will be no objection to our going on and proceeding with the business today which I am sure has become very embarrassing to all of us through this delay.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. SMITH of Virginia. I will be delighted to yield to the gentleman if I have the time.

Mr. HALLECK. Mr. Speaker, my telephone has been ringing all morning. Many of our Members, by reason of the weather, are stranded and cannot get back. I think the quorum call showed that there are 286 Members present. As

a matter of fact, one of the conferees on our side is now stranded. He had an airplane reservation, but all you need to do is look around a bit and you will see the airplanes are not flying.

Now, Mr. Speaker, as far as I am personally concerned, while I did not get any credit for it, I want to point out we provided on this side the quorum for the reporting of the rule last week. I went along then with consideration. I voted for the rule. I must say to the gentleman from Virginia that as far as I am concerned I do not know how the Members on this side are going to vote. We have made no effort to undertake to persuade them. Obviously, there are Members who are here who would like to get home for Christmas tomorrow. There are many Members who are here and, as I say, they would like to do that. There are others who are away and would like to get back for the vote tomorrow, if it goes over until tomorrow, who cannot get here today.

Mr. Speaker, I want to make another observation. I thought from the discussions here late Saturday evening that there was a strong likelihood of a meeting of the Rules Committee at that time. It was indicated, as I understood it from the Democratic side of the aisle, that they could get seven votes in the Rules Committee. The gentleman from Kansas [Mr. AVERY] was the only Republican Member in town at that time, and he stayed here and said he was ready to go up and vote out a rule, but instead of voting out a rule, which would have been in order today, the House was adjourned by the majority leader.

I just want to make this one further observation. I have been castigated in too many quarters—not that I am going to be thinskin about it, because I have learned in my time here that if you cannot take the heat, you had better get out of the kitchen, but the fact of the matter is, Mr. Speaker, that this December a continuing resolution was adopted by the Congress of the United States continuing the appropriations that would finally be acted upon, not to December 31 but to January 31, 1964. I wish somebody would write that in their paper or talk about it on the radio or television. In other words, it is not just a matter of the funds for the foreign aid program running out. They are available and will be available until January 31.

I want to be careful about my language, although some people have not been very careful in their language about me. But I must say in view of that continuing resolution and in view of the fact that we have operated under that continuing resolution for 6 months, since last June 30, and the fact that the foreign aid program is going right on, just as it can go on until January 31, 1964, then I must ask why all of the heroics and why are they having us here right up to Christmastime with Members coming back at the risk of their lives and limbs in a snowstorm, going away from their families, and having it interfere with their Christmas recess? All right. There will be a lot of people who will not be home for Christmas, and perhaps I am

one of them. In any event, if it were a necessary thing, then I would say "OK. I will stay here as long as anybody." But it is not necessary and it has never been necessary. If we come back January 7, this matter could be disposed of in an orderly fashion and without all of what I think is a cruel treatment of Members who cannot be here and Members who made their plans for the holidays far in advance. I cannot do my arithmetic quickly enough to figure it out exactly, but out of 433 Members of the House we have left here 286. That means well over 100 Members are not here who would probably like to vote on this measure.

In any event, those are my feelings about this, may I say to my very good friend from Virginia. I share with him the desire to get this matter back of us. I thought we had it back of us twice. The other day 26 Democrats voted to recommend the conference report and 66 Democrats from all over the country voted to recommit it when we had the bill originally before us. I do not know who is right or wrong and what the people think about this wheat deal and the amendment which is involved here, but up to the time I came over here a little while ago I had 209 telegrams from all over the country commending me for the stand which I have taken and only 6 criticizing me.

I have been accused of playing politics. It is said that I am leading a Midwest isolationist coalition to take over the foreign affairs of the country.

Apparently, it is very easy for people to forget that I have voted for this foreign aid program right straight along. I started in 1947 under Mr. Truman. I voted for it under Mr. Truman, under Mr. Eisenhower, and under Mr. Kennedy. I voted for it under President Johnson. But I must say that it does not seem to make much difference what you do around here; some of us cannot win for losing.

Mr. SMITH of Virginia. Mr. Speaker, the gentleman from Indiana has taken up most of my minute. But if I may say one further word, the gentleman from Indiana is always very eloquent, always very persuasive. It so happens that I entertain the same view that he does with respect to extending credit to Russia. That is not the question this morning. The question this morning is whether we shall do this today or whether we shall do it tomorrow at the inconvenience of a great many people. And when the eyes of the country are upon the Congress I do not think we can justify further delay on this matter.

The SPEAKER. The time of the gentleman from Virginia [Mr. SMITH] has expired.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 9499

Mr. SMITH of Virginia. Mr. Speaker, I present a privileged resolution (H. Res. 600) from the Committee on Rules and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. The resolution will be referred to the House Calendar and ordered to be printed.

The resolution is as follows:

Resolved, That upon the adoption of this resolution it shall be in order to consider without the intervention of any point of order the conference report on the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, and that during the consideration of the amendment of the Senate numbered 20 to the bill, it shall be in order to consider, without the intervention of any point of order, a motion by the Chairman of the Managers on the part of the House to recede and concur in said Senate amendment numbered 20 with an amendment.

Mr. HALLECK. Mr. Speaker, in view of the fact that the rule has just been granted and there are no other copies available, I ask unanimous consent that the resolution be read.

The SPEAKER. Without objection, the Clerk will report the resolution.

There was no objection.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider the resolution?

Mr. FINDLEY. Mr. Speaker, I object. Section 22 of rule 11 provides that the rule shall lie on the Speaker's desk for 24 hours.

The SPEAKER. The Chair will advise the gentleman that he passed upon this question the other day and a two-thirds vote would make the resolution in order.

The question is, Will the House now consider the resolution?

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 171, noes 83.

Mr. FINDLEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 105, not voting 125, as follows:

[Roll No. 255]

YEAS—202

Albert	Dulski	Hechler
Andrews, Ala.	Duncan	Hemphill
Ashley	Edmondson	Holland
Ashmore	Edwards	Huddleston
Baring	Elliott	Ichord
Barrett	Everett	Jarman
Bass	Fallon	Jennings
Beckworth	Farbstein	Johnson, Calif.
Bennett, Fla.	Feighan	Johnson, Wis.
Boggs	Fisher	Karsten
Boland	Flood	Kastenmeier
Brademas	Flynt	Kee
Brooks	Fogarty	Kelly
Brown, Calif.	Fraser	Keogh
Buckley	Friedel	King, Calif.
Burke	Fuqua	Kirwan
Burleson	Gallagher	Kluczynski
Byrne, Pa.	Garmatz	Kornegay
Cameron	Gary	Landrum
Carey	Gathings	Lankford
Casey	Glaime	Leggett
Chelf	Gilbert	Libonati
Clark	Gill	Lindsay
Cohelan	Gonzalez	Long, La.
Colmer	Grant	Long, Md.
Conte	Gray	McDowell
Cooley	Green	McFall
Corman	Griffiths	McMillan
Daddario	Hagan, Ga.	Macdonald
Davis, Ga.	Hagen, Calif.	Madden
Dawson	Halpern	Mahon
Delaney	Hanna	Marsh
Dent	Hansen	Mathias
Denton	Harding	Matsunaga
Donohue	Hardy	Matthews
Dorn	Harris	Miller, Calif.
Dowdy	Hawkins	Mills
Downing	Hays	Minish

Monagan	Rivers, Alaska	Stratton
Moorhead	Rivers, S.C.	Stubbiefeld
Morris	Roberts, Ala.	Teague, Tex.
Morrison	Roberts, Tex.	Thomas
Morse	Rogers, Fla.	Thompson, La.
Moss	Rogers, Tex.	Thompson, N.J.
Multer	Rooney, N.Y.	Thompson, Tex.
Murphy, Ill.	Roosevelt	Toll
Natcher	Rosenthal	Trimbie
Nix	Rostenkowski	Tuck
O'Hara, Ill.	Roush	Tuten
O'Hara, Mich.	Roybal	Udall
Olsen, Mont.	Ryan, N.Y.	Ullman
Olson, Minn.	St Germain	Van Deertin
O'Neill	St. Onge	Vanik
Passman	Schweiker	Vinson
Patman	Secrest	Watson
Patten	Selden	Watts
Pepper	Senner	White
Perkins	Shelley	Whitener
Pike	Sheppard	Whitten
Pilcher	Sickles	Wickersham
Poage	Sikes	Willis
Pool	Sisk	Wilson,
Price	Slack	Charles H.
Pucinski	Smith, Iowa	Winstead
Purcell	Smith, Va.	Wright
Rains	Staebler	Young
Randall	Stafford	Zablocki
Rhodes, Pa.	Steed	

NAYS—105

Alger	Cunningham	Minshail
Anderson	Dole	Mosher
Andrews,	Dwyer	Norblad
N. Dak.	Findley	O'Konski
Arends	Foreman	Pelly
Auchincloss	Goodling	Pillion
Avery	Griffin	Pirnie
Ayres	Gross	Poff
Baker	Grover	Quile
Baldwin	Gurney	Reid, Ill.
Barry	Hail	Reifel
Bates	Hallick	Rhodes, Ariz.
Battin	Harsha	Rich
Beermann	Hoeven	Robison
Beil	Hoffman	Rumsfeld
Bennett, Mich.	Horan	St. George
Berry	Horton	Saylor
Betts	Jensen	Schadeberg
Bolton,	Johansen	Schneebeil
Frances P.	Johnson, Pa.	Short
Bolton,	Jonas	Shriver
Oliver P.	Keith	Skubitz
Bow	King, N.Y.	Stinson
Bromwell	Kyl	Teague, Calif.
Broomfield	Laird	Thomson, Wis.
Brotzman	Langen	Utt
Broyhill, N.C.	Lipscorn	Van Peit
Broyhill, Va.	Lloyd	Wallhauser
Bruce	McClory	Weaver
Burton	McDade	Westland
Byrnes, Wis.	McIntire	Widnall
Cahill	McLoskey	Wilson, Bob
Chamberlain	MacGregor	Wilson, Ind.
Chenoweth	Martin, Calif.	Wylder
Clausen,	May	Wyman
Don H.	Meador	
Cleveland	Miller, N.Y.	

NOT VOTING—125

Abbitt	Fascei	Lesinski
Abele	Finnegan	McCulloch
Abernethy	Fino	Mailliard
Adair	Ford	Martin, Mass.
Addabbo	Forrester	Martin, Nebr.
Ashbrook	Fountain	Michel
Aspinall	Frelinghuysen	Milliken
Becker	Fulton, Pa.	Montoya
Belcher	Fulton, Tenn.	Moore
Blatnik	Gibbons	Morgan
Bolling	Glenn	Morton
Bonner	Goodell	Murphy, N.Y.
Bray	Grabowski	Murray
Brock	Gubser	Nedzi
Brown, Ohio	Haley	Nelsen
Burkhalter	Harrison	O'Brien, Ill.
Cannon	Harvey, Ind.	O'Brien, N.Y.
Cederberg	Harvey, Mich.	Osmers
Celler	Healey	Ostertag
Ciancy	Hébert	Philbin
Clawson, Del.	Henderson	Powell
Coiller	Herlong	Quillen
Corbett	Holifield	Reid, N.Y.
Cramer	Hosmer	Reuss
Curtin	Hull	Riehlman
Curtis	Hutchinson	Rodino
Dague	Joelson	Rogers, Colo.
Daniels	Jones, Ala.	Rooney, Pa.
Davis, Tenn.	Jones, Mo.	Roudebush
Derounian	Karth	Ryan, Mich.
Derwinski	Kilburn	Schenck
Devine	Kilgore	Schwengel
Diggs	Knox	Scott
Dingell	Kunkel	Shipley
Elisworth	Latta	Sibal
Evins	Lennon	Slier

Smith, Calif.	Taft	Weltner
Snyder	Talcott	Whalley
Springer	Taylor	Wharton
Staggers	Toilefson	Williams
Stephens	Tupper	Younger
Sullivan	Waggonner	

So (two-thirds not having voted in favor thereof) the House refused to consider House Resolution 600.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Evins for, with Mr. Collier against.

Mr. Rodino and Mr. Joelson for, with Mr. Quillen against.

Mr. Murphy of New York and Mrs. Sullivan for, with Mr. Adair against.

Mr. Addabbo and Mr. Holifield for, with Mr. Snyder against.

Mr. Burkhalter and Mr. Celler for, with Mr. McCulloch against.

Mr. Daniels and Mr. Dingell for, with Mr. Ford against.

Mr. Fountain and Mr. Henderson for, with Mr. Kilburn against.

Mr. Shipley and Mr. Bonner for, with Mr. Brown of Ohio against.

Mr. Philbin and Mr. Powell for, with Mr. Derounian against.

Mr. O'Brien of New York and Mr. Fascell for, with Mr. Del Clawson against.

Mr. Fulton of Tennessee and Mr. Rooney of Pennsylvania, for, with Mr. Glenn against.

Mr. Grabowski and Mr. Healey for, with Mr. Moore against.

Mr. Ryan of Michigan and Mr. Morgan for, with Mr. Cederberg against.

Mr. Karth and Mr. Lennon for, with Mr. Cramer against.

Mr. Lesinski and Mr. Montoya for, with Mr. Ellsworth against.

Mr. Nedzi and Mr. Reuss for, with Mr. Bray against.

Mr. Martin of Massachusetts and Mr. Frelinghuysen for, with Mr. Schenck against.

Mr. Blatnik and Mr. Davis of Georgia for, with Mr. Younger against.

Mr. Diggs and Mr. Finnegan for, with Mr. Brock against.

Mr. Fulton of Pennsylvania and Mr. Scott for, with Mr. Nelsen against.

Mr. Herlong and Mr. O'Brien of Illinois for, with Mr. Belcher against.

Mr. Jones of Alabama and Mr. Staggers for, with Mr. Morton against.

Mr. Weltner and Mr. Rogers of Colorado for, with Mr. Roudebush against.

Until further notice:

Mr. Abbitt with Mr. Abele.

Mr. Abernethy with Mr. Siler.

Mr. Aspinall with Mr. Siball.

Mr. Forrester with Mr. Clancy.

Mr. Gibbons with Mr. Ashbrook.

Mr. Hull with Mr. Harrison.

Mr. Kilgore with Mr. Reid of New York.

Mr. Murray with Mr. Taft.

Mr. Stephens with Mr. Wharton.

Mr. Taylor with Mr. Ostertag.

Mr. Waggonner with Mr. Riehlman.

Mr. Williams with Mr. Devine.

The result of the vote was announced as above recorded.

ANNOUNCEMENT OF FUNERAL SERVICES FOR THE LATE HON. WILLIAM J. GREEN, JR.

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker and Members of the House, tomorrow morning at 11 o'clock there will be held the funeral services for our late colleague, the Hon-

orable William Green, Jr., of Philadelphia.

Those Members who want to attend that funeral will not be able to get back here until about 4 o'clock in the afternoon.

Therefore, Mr. Speaker, I am asking that the House recess until we have an opportunity to come back to cast our vote tomorrow afternoon.

Mr. Speaker, it is important that we be men and politicians. But it is also important that we be human with all the elements which go into making us human beings, whether we are Members of Congress or just plain, ordinary citizens.

INVITATION TO COFFEE AT THE WHITE HOUSE TODAY

(Mr. ALBERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, the President and Mrs. Johnson have asked me to advise all Members of the House and all elective officials of the House that they would like to invite them to the White House for a coffee hour from 5 to 6 o'clock p.m. today. It is their hope that all Members may be with them.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, does it require unanimous consent to adjourn over Christmas?

The SPEAKER. That is correct.

THE DECLINE OF CONGRESS

(Mr. RYAN of New York asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RYAN of New York. Mr. Speaker, the lead editorial in the Washington Post for December 21, 1963, should make every Member of Congress think and then act to bring about reform of the rules and procedures of Congress. In the 87th Congress and in this Congress I have sponsored legislation—House Concurrent Resolution 24—to set up a Joint Committee To Study Congressional Organization. We must come to grips with this issue. Otherwise, the Congress will suffer a further erosion of public confidence, and the urgent needs of our society will remain unmet.

I include at this point in the Record the following constructive and well-balanced editorial which discusses the 1st session of the 88th Congress.

[From the Washington (D.C.) Post, Dec. 21, 1963]

THE DECLINE OF CONGRESS

No Congress in recent years has matched the 1963 session in delays, disappointments, and wasted effort. Its performance has satisfied no one. Even some of its Members are filled with gloom over the outlook for representative government in the hands of a legislature that operates so ineffectively. The general sagging of confidence in Congress has created a profound interest in probing into the reasons for this sorry record.

It cannot be said, of course, that the session was devoid of achievements. Out of the

general stalling and confusion came some significant enactments. The Senate consented to ratification of the test-ban treaty. Both Houses approved constructive bills for the aid of higher education and the expansion of medical schooling. The new attack on mental illness sponsored by the late President Kennedy and accepted by both Houses may prove to be one of the most significant events of this era.

Congress demonstrated that it could act promptly under pressure when it passed a compulsory arbitration law to avert a threatening nationwide railstrike. But aside from these measures the harvest from a year-long session consists largely of program extensions and relatively minor bills. The mountain labored and brought forth an unimpressive litter of trivia.

No explanation for this shabby performance is to be found in derogatory labels: "Do-nothing Congress," "Stand-still Congress," and so forth. Not many of the men on Capitol Hill have been idle. Some have worked furiously. What ought to concern the country most of all is the alarming frequency with which good intentions and conscientious efforts have been detoured into thorny byways or inescapable dead ends.

The 1963 record thus clearly illuminates the defects in the system. Congress did not succeed in bringing the civil rights bill to a vote in either House. In an entire year the tax bill completed only about half of its legislative journey. Medicare and general school aid did not get out of committee. Unemployment compensation reform and minimum wage expansion were never considered at all. Congress frittered away an enormous amount of time passing three separate debt-limit bills. The wrangle over foreign aid, which should by now be relatively settled policy, was entirely out of proportion. Indeed, Congress has created so many annual chores for itself—extending foreign aid, corporate and excise taxes, the Export-Import Bank, the Civil Rights Commission and a vast number of other routine extensions—that it hasn't time meet its major legislative responsibilities.

An enormous part of the legislative process consists of assigning priorities to public and private demands. But the Congress of the United States has no systematic means of making these decisions. It allows the trivial to get in the way of the vital because it has no means of putting first things first.

Each session of Congress begins with mountainous piles of bills and resolutions before it. Only a small fraction of them can possibly be enacted. Yet neither House makes a practice of following an agenda or of requiring its committees to comply with a time schedule. Nor is there any requirement that any committee give first attention to major bills. Each committee chairman is a law unto himself. Under such a haphazard system, the scheduling of bills for final action depends upon the whims of many individuals who may be disinterested or even hostile to the central program that the administration is trying to get enacted.

Much of the stalling in the 1963 session appears to have been deliberate, with the intention of preventing action on the civil rights bill. Both Houses are vulnerable to this kind of footdragging because the central leadership has no means of taking key bills to the floor against the wishes of reluctant committee chairmen. Here lies the most critical weakness of Congress. Little bills, petty politicking and routine chores are often put ahead of the Nation's major business because no leader or group of leaders has authority to outline a program and hold Congress to it.

The 1963 session has demonstrated that Congress now is the real problem child of our Federal system. It has not kept pace with either the executive branch or the

Supreme Court in its adjustment to the demands of modern government. Its rules and procedures are outmoded and unequal to the legislative requirements of a great world power. Its meager achievements in the last year stand as a warning to the country of serious troubles ahead unless Congress can be made an instrument of popular government instead of an obstruction to it.

WHEAT LOANS TO RUSSIA BEWILDERING AND INCONSISTENT

(Mr. DORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORN. Mr. Speaker, on one hand we have State Department pressure on Spain, and rightly so, to cease trade in strategic materials with Red Cuba. We are seeking to step up the war against the Communists in South Vietnam. Then on the other hand and at the same time, we see extreme pressure on the membership of this House to permit loans to Red Russia so she can buy our wheat and continue her trade with Red Cuba and other Communist countries.

This policy is bewildering and inconsistent. It could be disastrous. We are becoming a joke to the whole world and we are confusing the American people. We have sent billions in foreign aid around the world to stop communism—we have voted many more billions to strengthen our defense and that of the free world against communism. Now in this bill we are voting more money, supposedly to fight communism, yet in the same bill we have money for them which will strengthen the Communist world.

Mr. Speaker, I am not going to give my enemy my own money to buy my own pocketknife with which he will stab me in the back.

Mr. Speaker, I cannot in good conscience vote for this aid to Russia who in turn is helping the economy of Castro-Cuba and supporting Communist's infiltration and espionage throughout the world.

WILLIAM J. GREEN, JR.

(Mr. RHODES of Pennsylvania asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. RHODES of Pennsylvania. Mr. Speaker, all of us who knew and respected him are saddened by the untimely death of Representative William J. Green, Jr. He was an able and valuable Member of the Congress and a diligent and hardworking member of the House Ways and Means Committee.

Bill Green was also a friend of the late President John F. Kennedy. President Kennedy had said that Bill Green's efforts in Philadelphia contributed much to the success of the Democratic Party in carrying Pennsylvania for the President.

I have known Representative Green as a good friend since coming to the Congress in 1949. My wife and I join in sending our commiserations to Mrs. Green and her four sons and two daughters.

CORRECTION OF ROLL CALL

Mr. BYRNE of Pennsylvania. Mr. Speaker, on rollcall No. 253 on Saturday, December 21, 1963, a quorum call, the gentleman from Pennsylvania [Mr. TOLL] was recorded as absent. I was sitting beside the gentleman when he answered to his name.

I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WEST VIRGINIA'S CHRISTMAS GIFT TO THE NATION

(Mr. HECHLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER. Mr. Speaker, it was a tall, red spruce tree, 71 feet in height. From a great center of lumbering operations, from West Virginia's Randolph County, this giant spruce grew up near the town of Pickens. The tree was donated as the Nation's Christmas Tree by Miss Mary Winkler of Pickens, W. Va., who sat on the platform last evening as President Lyndon B. Johnson pressed the button to light the 8,000 bulbs on the Christmas tree.

What does he plant who plants a tree?

He plants the friend of sun and sky;

He plants the flag of breezes free;

The shaft of beauty towering high.

SENATOR JENNINGS RANDOLPH HONORED

It is entirely fitting that West Virginia's senior U.S. Senator, the Honorable JENNINGS RANDOLPH, was accorded a place of honor on the platform close to President and Mrs. Johnson. Senator RANDOLPH escorted the First Lady of the Land and the President, and Mrs. Johnson's youngest daughter, Lucy Baines Johnson, to the platform for the colorful and impressive ceremonies.

Last October, it was an honor for me to fly to Elkins, Randolph County, W. Va., with Secretary of the Interior Stewart L. Udall and Senator RANDOLPH. On that occasion, Secretary Udall addressed a banquet opening the annual Mountain State Forest Festival, and he remarked to Senator RANDOLPH at the time that surely West Virginia could be well termed the "Christmas Tree State."

OTHER WEST VIRGINIANS HONORED

Also on the platform at the Ellipse last evening was Dr. Walter Fix, Martinsburg, W. Va., civic leader, who was one of those instrumental in arranging for the 71-foot red spruce to be donated as West Virginia's Christmas gift to the Nation. The tree was delivered and placed at the Ellipse on December 5, 1963, and Senator RANDOLPH wrote Dr. Fix on December 6:

We can all be happy as West Virginians that a tall spruce tree from our mountains can stand near the White House this Christmas season.

Warden Lane, West Virginia's director of natural resources, was also on the platform for the ceremonies last even-

zations instead of proudly presenting this crucially important program for what it is—an earnest unprecedented effort to help new nations ease poverty, illiteracy, and disease so that they can remain free within their own cultures—we explain that our real purpose is to buy friends and supporters in the United Nations, or to keep restless peasants and workers from asking hard questions, or to fill empty bellies on the mistaken assumption that well-fed peasants will more easily tolerate the injustices and harassments of the feudal societies in which they live, and thus joyfully join us in support of the status quo.

The constructive leadership of America is now challenged, not simply to stand up to the Russians, but to understand the nature of our revolutionary world, to explore the forces at work in Communist societies and to put itself in touch with the aspirations of the people in between—the men, women, and children of Asia, Africa, and Latin America who see our planet as something more than an arena for Soviet-American conflict.

As we move to meet this challenge, we may be reminded of the words of Woodrow Wilson, who once told a graduating class at Annapolis:

"There have been other nations as rich as we; there have been other nations as powerful; there have been other nations as spirited; but I hope we shall never forget that we created this Nation, not to serve ourselves, but to serve mankind. * * * No other nation was ever born into the world with the purpose of serving the rest of the world just as much as it served itself."

PERSONAL EXPLANATION

(Mr. WELTNER (at the request of Mr. LIBONATI) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. WELTNER. Mr. Speaker, I returned to Washington this morning, arriving at about 5 o'clock a.m., in order to attend the session today. Unfortunately, the heavy snowfall so delayed travel from my residence to the Capitol that, although I left my home at 11 this morning, I missed today's quorum call and the rollcall on the motion. Had I been present, I would have voted "aye."

FAIR WEATHER CAUSES MEMBERSHIP ABSENCE

(Mr. CORMAN (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CORMAN. Mr. Speaker, in view of the discussion concerning the delaying of action on the foreign aid conference report I feel obligated to make a progress report to the minority leader concerning the Republican Member from New York who is campaigning in my district.

Since we last discussed this matter, other Congressmen have returned from the area but there is no evidence of a desire on the part of the gentleman I first mentioned to return. I have checked the weather in my district, and I am pleased to tell you it is clear, sunny, and in the low seventies. I suggest this is the impelling reason for his absence, rather than inability to obtain transportation and would suggest that further delay for his benefit is hardly called for.

(Mr. BROOMFIELD (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

[Mr. BROOMFIELD'S remarks will appear hereafter in the Appendix.]

(Mr. FOREMAN (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. FOREMAN'S remarks will appear hereafter in the Appendix.]

FINANCING WHEAT FOR RUSSIA

(Mr. CLEVELAND (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, last Saturday the distinguished majority leader accused the Republicans of going on a sitdown strike. I protest. This is crybaby talk and it is not true. More Democrats were absent than Republicans on the crucial vote early last Saturday when the House again for the second time reaffirmed its opposition to financing wheat for Russia with the U.S. taxpayer's dollar. If the Democratic Party wants a Christmas present for Khrushchev by financing wheat for Russia as a campaign issue, I, for one, accept the challenge. This will set the stage for a Republican campaign issue which will be congressional reform—reform by the voters and return of this body to control by the Republican Party and commonsense.

Sitdown strike, Mr. Speaker, indeed. This is strange talk from the architects of a yearlong slowdown strike which has unfairly created public disrespect for this House, still the world's greatest bastion of freedom and democracy.

(Mr. FULTON of Pennsylvania (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

[Mr. FULTON of Pennsylvania's remarks will appear hereafter in the Appendix.]

SALES TO COMMUNIST NATIONS

(Mr. ANDERSON (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. ANDERSON. Mr. Speaker, certain accusations concerning the Republican position in opposition to guaranteeing credits to the Soviet Union through an instrumentality of the U.S. Government have been stated, both on the floor of the House and in statements issuing from the executive branch. As I understand it, the administration is opposed to a congressional ban on credit

guarantees by the Export-Import Bank on sales to Communist nations because it would "tie the hands of the President." It has further been argued that should the Congress insist on a provision of this type in a foreign aid bill that it will strike a disastrous blow to the prestige of the President of the United States and amount to a declaration of no confidence in his efforts to deal with the problem of the Soviet Union.

Indeed, Mr. Speaker, as I have listened to the arguments on the floor of the House the last few days, it almost seemed as if by some strange alchemy our constitutional Republic had become a parliamentary democracy where an adverse vote in this body would topple the Government. Mr. Speaker, when the day arrives that mere prestige, even of so important and exalted a person as the President of the United States, becomes more important to the Members of this body, be they Democrat or Republican, than fundamental and basic principles and beliefs, then I fear for the future of our country.

The argument that a congressional declaration against facilitating the financing of sales to Communist nations deprives the President of his constitutional powers to direct the foreign policies of this Nation is the familiar "strawman" that is always erected when no other convincing argument is available. It has already been pointed out that there is nothing new or novel in Congress asserting its will with respect to matters of this kind. In the Agriculture Act of 1961, Congress expressly stated that funds authorized pursuant to that act were not to be used to finance the sale of subsidized farm commodities to Communist nations. Surely, the elected representatives of the people have a broader responsibility than that of a mere dollars-and-cents appraisal of what form our foreign aid program should take. As was pointed out earlier on the floor of this House, it scarcely makes sense to appropriate billions of dollars annually to keep back the tide of communism if we in the same legislation approve actions which can only serve to strengthen the Communists in the battle which they are making against our whole way of life.

Members from the other side of the aisle have vehemently claimed that the efforts of the Republican Party to point this out amounts to an indictment of the Democratic Party for being pro-Communist. Nothing could be further from the truth. We are not charging the opposition with being soft on communism. We are charging them with responsibility for misdirecting and misapplying those policies which can and should be used to frustrate the ambitions of the Communists for a world takeover. We believe that the vast majority of American people are with us in this battle and that, like the Republican Members of the House of Representatives, they do not approve of the course of action on which this administration has apparently embarked. There is certainly nothing dis-

loyal in suggesting that the President of the United States is capable of making a mistake, and that he and his advisers are committing an egregious error by this sudden revamping of our trade policy vis-a-vis the Soviet Union.

It has been suggested, and I think correctly so, that the Soviet Union may not even be interested in American wheat, as such. What they are interested in is establishing an open line of credit with this country so that future deals for fertilizer, fertilizer plants, and other types of machinery and equipment, which are in critical short supply can possibly be made on advantageous credit terms.

Mr. Speaker, it is almost incredible when to stop and think that only 14 months ago this Nation stood poised on the brink of a nuclear holocaust, all because Mr. Khrushchev, in his effort to alter the strategic balance of power in the world, placed missiles on the island of Cuba. Today that same Mr. Khrushchev is still the dictator of Communist Russia. Today the same Communist Party rules supreme with the same avowed aim of eventually subverting and destroying the Western capitalist system. Yet, the Johnson administration, little more than a year later, is waging a desperate battle to try to convince this Congress and the American people that it is in the national interest to subsidize the financing of grain sales to the U.S.S.R. No one in the administration or in this House has undertaken to explain just how the national interest will be served by strengthening the sinews of the Russian Government.

Mr. Speaker, if the Democratic leadership in this body had worked as hard to enact a farm bill which would be in the best interests of the wheat farmers and the feed grain farmers of America as they have worked in recent days to facilitate the sale of grain to Soviet Russia, we perhaps would not have to be looking for an outlet for our surplus grain behind the Iron Curtain. This Congress is coming to a close on a sorry note indeed because in my opinion the Democratic leadership has fought more fiercely and put forth a greater effort to facilitate the financing of trade with Communist countries than they have fought for civil rights, or for any other single program recommended by the late President.

In conclusion, the spectacle which we are witnessing now here in the Congress and within the administration reminds me of the quotation attributed to Lenin that "when the time comes to hang the last two capitalists, you will find them bidding against each other for the sale of the rope."

(Mr. BYRNES of Wisconsin (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

[Mr. BYRNES of Wisconsin's remarks will appear hereafter in the Appendix.]

(Mr. BYRNES of Wisconsin (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. BYRNES of Wisconsin's remarks will appear hereafter in the Appendix.]

GRANTING CREDIT TO THE SOVIET UNION

(Mr. McCLORY (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, with all of the debate, charges, and countercharges as to the position of Members and political parties on the conference committee report before the House of Representatives, concerning the foreign aid appropriation bill (H.R. 9499), it is clear to me that two primary issues are involved.

First, there is the issue of granting credit to the Soviet Union through the Export-Import Bank to facilitate the purchase of wheat and other agricultural products by the Soviets. To the extent that these funds are contributed by American taxpayers—and our Nation's contribution to the Export-Import Bank is substantial—those who oppose the Findley amendment are enabling the Soviet Union to enhance its position with its own citizens and with various others of the Soviet bloc nations.

This does not mean that any Member who opposes the Findley amendment is disloyal or unpatriotic. However, it is perfectly appropriate to question the judgment of those who oppose such an amendment. It is my feeling and that of a great many Americans—both Republican and Democratic—that a failure to support this amendment is detrimental to the free world's contest with the Soviet bloc.

The second clear issue involved in the Findley amendment—in contrast to the substitute recommended in the conference committee report—involves the constitutional division of powers under our republican form of government. If the Congress wishes to deny use of American funds to finance the purchase of wheat by the Soviet Union, the Congress must make that decision. The Findley amendment does just that. The substitute recommended by the conference committee delegates this authority to the executive branch of Government. Those Members of Congress who are jealous of the legislative prerogatives will not hesitate to support the Findley amendment and oppose the conference committee substitute.

There must be an awareness on the part of all Members of Congress that a constant diminution of legislative authority is taking place—and that the executive branch is expanding constantly, both in size and in authority. The opportunity to restrict that growth and that influence is presented to this House of Representatives today.

These issues are neither partisan nor temporary. They are basic to our entire political system.

HOW RIDICULOUS CAN WE BECOME?

(Mr. WIDNALL (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WIDNALL. Mr. Speaker, I have had a little experience in the credit insurance policies of the Export-Import Bank. This past August, I helped to form a compromise agreement in conference that kept the Export-Import Bank and its credit insurance program in operation. At no time, during the months of negotiations over the extension of the Bank's charter, was there ever a hint that its credit insurance policies toward Communist countries would change. I cannot believe that this Congress would have been willing to accept a charter extension had it known of any effort to insure 100 percent the credit risk of the Soviet Union. Nor do I think there would have been any cries of protest against what some now call an attempt to invade the domain of the executive in foreign affairs.

When the export credit was proposed for the wheat deal this fall, I submitted H.R. 9144, a companion measure to the Mundt bill in the Senate, containing the language of the Findley amendment to the foreign aid appropriations bill. At the time, we were being told that the wheat deal, on an 18-month insured credit basis, was necessary to relieve our wheat surplus and to help our balance-of-payments deficit. The dire predictions by Secretary of Agriculture Freeman last spring that rejection of his compulsory wheat plan would raise surpluses have been proven false. Our balance-of-payments position has improved to the point that a leading European economist last week suggested it was now under control.

No one can deny that the wheat deal with Russia will make even further improvement on the grain surplus problem or the balance-of-payments deficit. No one can deny, however, that this could be accomplished by requiring a cash payment instead of credit terms guaranteed 100 percent by the American taxpayer. Russia has been buying foreign exchange with her gold at a rate almost twice that of a year ago, and I doubt if she plans to use it to play Santa Claus either to her own people or for any other country. That money has been accumulated just in case the United States finds enough backbone to demand it for a deal the Soviets need much more than we do.

For the past month I have been warning that the real reason for the credit guarantee and the wheat deal was to use this deal as an opening wedge for further trade with the Communists based on further credit concessions. Today the press finally admitted this was a fact. This week it will be 18 months worth of credit; next week it will be 36 months; the week after that, 60 months. Congress has outlawed loans to Communist

countries and I have not heard of anyone from the executive branch complaining that this should be repealed because Congress has no right to legislate in this area. What the difference would be between a 60-month credit and a 5-year loan, I do not know, yet Congress is now being condemned for trying to close a wide open loophole in the policy it has previously set forth.

I do not understand how anyone with any knowledge of the history of the cold war can question the possibility that in 36 months or even 18 months changes could occur in the world situation which would jeopardize the taxpayer's interest in credit guarantees. Was there no change from the end of the war to the Berlin blockade, no change from that settlement to the Korean war in 1949? Was there no change from the spirit of Geneva to the Communist takeover in Cuba? Was there no change from the Khrushchev visit in 1959 to the Paris summit? No change from the meeting in Vienna between President Kennedy and the Soviet Premier to the building of the Berlin wall? Can anyone here guarantee no change for 18 months in the future? If so, let him take the credit risk, not the American people.

We have been told that the failure of Soviet agriculture is a great propaganda blow against the Communist system. Must we now relieve this burden the Soviets bear? We have been told that pressures from consumers at home have forced Khrushchev to be more moderate, and less belligerent. Must we now relieve that pressure so that belligerency can again be the Soviet motto? I say the answers to these questions as well as to the question of eliminating the credit ban must be an emphatic "No." The American people will stand for nothing less.

COMMUNISM

(Mr. UTT (at the request of Mr. SCHADEBERG) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. UTT. Mr. Speaker, since the evil, cruel, and calculating mind of Lee Harvey Oswald struck down the President of the United States, I have observed a complete moratorium on partisan political matters, in accordance with the original suggestion made by Senator GOLDWATER on that fateful day. I can no longer enjoy the luxury of silence, nor can this Nation enjoy the luxury of silence.

Much has been written on the subject of the assassination, and many lessons are to be learned. The initial, hysterical reaction of the leftwing was, of course, to immediately blame the so-called rightwing extremists, and I received some editorial comment as well as individual letters to the effect that I was somehow responsible for this horrible crime. This line of twisted thinking no doubt had its fountainhead in the first report, broadcast throughout the world by the Voice of America, to the effect that Dallas was the hotbed of rightwingers and therefore it had to be the work of some rightwing

individual. This set the pattern, which is still followed by all of the Communist countries throughout the world. This broadcast was followed by a television appearance of one of the Democratic leaders of the House, making the same statement.

First impressions are often lasting, and this one certainly was. Incidentally, I immediately requested a transcript of the Voice of America broadcast, together with the first reciprocating broadcast from Moscow. Naturally, Voice of America has conveniently ignored the request. The broken record goes on and on to a point where the foreign image of America is not one of a great Republic, which has survived many crises, but rather an image of a country so divided by isms, hatred, and self-abuse, that complete destruction must naturally follow.

Following the assassination, there were 4 solid days of attempted brainwashing of the American people and the world into believing that all America must share the guilt. That is hokum and hogwash. The assassination was the work of a cool and calculating mind, steeped in communism and dedicated to Castroism, to the point where he shared the convictions of his boss, Fidel Castro, that President Kennedy was an enemy of Cuba and must be destroyed before he succeeded in overthrowing the Castro government.

The Fair Play for Cuba Committee is one of the best financed and most extensive Communist fronts and espionage agencies in the country, having more than 6,000 members with 27 chapters in the United States, and student councils in more than 40 universities in the United States and Canada. This was revealed in volume 6 of the Senate Judiciary Committee document entitled "Castro's Network in the United States."

During the past 3 years, little if anything has been done by the Justice Department to make the Communist organizations register. Contrariwise, there has been a general denial by the Justice Department that communism was an internal threat. I have been saying for years that no one need fear the thunder on the right, as it was simply a response to the lightning on the left, and that thunder had never been known to kill anybody, but that lightning is a deadly element.

President Johnson addressed a joint session of Congress, which, for the most part, was reassuring to an anxious public. Portions of it I felt were unsound, when he urged the hasty passage of complex and far-reaching legislation as a memorial to the martyred President. This Republic is too great to pass this type of legislation as a memorial to any man. If the proposition was bad before the assassination, it would still be bad, and, if it were good legislation, it would still be good and would be passed under a calmer atmosphere of consideration and debate.

I was shocked to hear the President make the following statement, which became the theme song of the Chief Justice of the United States and the leftwing commentators:

Let us put an end to the teaching and preaching of hate and evil and violence. Let us turn away from the fanatics of the far left and the far right, from the apostles of bitterness and bigotry, from those defiant of law, and those who pour venom into our Nation's bloodstream.

Who, may I ask, is teaching and preaching hate and evil and violence? The only teachers of hate and evil and violence are the Communists.

The subtle purpose of this statement was one of semantics. It triggered a massive attempt to convert the word "criticism" into the words "hate and evil," so that anyone who dared to criticize would be guilty of hate, and the voice of criticism would then be stilled. I criticize my children, but I do not hate them; I love them. So let us not be trapped by that line of argument. Let us remember—a free and open society demands that the great business of this Nation be thrashed out in healthy discussion, in spirited debate, and in the great dialog of criticism.

It is amazing to note how many far-reaching resolutions were immediately introduced with respect to the sale, transportation, keeping and bearing of arms. I am in complete agreement that mail-order shipment of guns should be restricted. As opposed to this trend of firearm control legislation, there has not been one new resolution introduced to tighten up on Communist propaganda or Communist activities. The spoken word and the pen are still mightier than the sword, and millions of Americans are subjected to rapid-fire Communist propaganda which can destroy more people than all other lethal weapons combined.

The Communist leaders in America are not only being welcomed but invited to speak on our college campuses, and they appear on television as heroes of the downtrodden masses. This is the real venom which is flowing into the Nation's bloodstream.

It is important that all Americans dedicate themselves to the survival of constitutional government, and eternally guard against a government of men rather than a government of law.

PRESIDENT JOHNSON'S DECISION TO ESTABLISH NINE-MAN COMMITTEE TO SURVEY METHODS BY WHICH DEFENSE SPENDING AND ESTABLISHMENT MAY BE CURTAILED WITH MINIMUM HARM TO UNEMPLOYMENT AREAS IS HAILED

(Mr. STRATTON asked and was given permission to extend his remarks at this point.)

Mr. STRATTON. Mr. Speaker, I was pleased to read in the press over the weekend that President Johnson, who has frequently stated his concern with the problems of poverty and economic distress, has now acted promptly and decisively to insure that when the Defense Department takes actions which could aggravate unemployment problems in local areas, they will no more plead that unemployment is none of their concern.

Over the weekend the President created a high-level, nine-man committee, headed by Walter W. Heller, Chairman of the President's Council of Economic Advisers, to survey the impact of Defense Department decisions on local economies and on existing unemployment areas. In taking this step the President has acted to plug a grave loophole in the Defense Department's current policy with regard to such matters as base closings and other shifts in its spending pattern which I pointed out at some length last Thursday on the floor of this House. The President is to be warmly congratulated on his action.

If some such committee as this had been in existence a couple of weeks ago, and if it had worked out an overall Government policy to manage Defense cutbacks and closings in such a way that their impact on local unemployment problems would indeed be held to an absolute minimum, then I am confident the Department would never have closed two key defense installations in New York State, both of them in serious unemployment areas, when the alternative establishments which it had decided not to close were not located in unemployment areas—the Rome Air Materiel Area and the Schenectady Army Depot.

In view of the President's wise action, and in view of the fact that some such coordinated policy is obviously necessary for this Government and should indeed have been in the mind of the Defense Department, without the President even being required to set up a committee, I have today wired the President asking him to direct Secretary McNamara not to undertake any personnel reductions at either Schenectady or Rome until the new committee can have a full opportunity to survey the situation at both locations, and determine whether the action the Defense Department took the other day in the case of these two installations was indeed in conformity with the kind of policy the President has now made clear he expects the Defense Department to follow.

My wire, Mr. Speaker, reads as follows:

PRESIDENT LYNDON B. JOHNSON,
The White House,
Washington, D.C.:

Heartiest congratulations your decision create special Government committee to mesh possible defense cutbacks with Government's overall policy of combating unemployment. This action now plugs a serious loophole in Defense Department current attitude toward base cutbacks which I discussed in detail on House floor last Thursday. Because both major closings in New York at Rome and Schenectady located in serious unemployment areas and were selected over alternative sites not located in unemployment areas, strongly urge you direct Secretary McNamara delay all personnel reductions at Rome and Schenectady until your committee has had opportunity determine whether Department's action on these two bases conforms with soundest possible Government policy to insure that defense reductions have minimum impact on local unemployment.

SAMUEL S. STRATTON,
Member of Congress.

PERSONAL ANNOUNCEMENT

(Mr. WHITENER asked and was given permission to extend his remarks at this point.)

Mr. WHITENER. Mr. Speaker, on the occasion of the quorum call earlier today I was unavoidably detained due to inclement weather in returning to the floor of the House from an appointment with one of the Government agencies downtown. Had the streets not been so difficult to negotiate I would have been here to respond to the quorum call.

I request that the RECORD for today report this statement of my personal situation.

FUNDS FOR STUDENT LOANS AND SCHOOLS IN IMPACTED AREAS ARE NEEDED

(Mr. LAIRD asked and was given permission to address the House for 1 minute.)

Mr. LAIRD. Mr. Speaker, we have been fully advised as to how the President feels on the foreign aid appropriation bill which is presently before the Congress.

I would like to call the attention of the House to another appropriation bill which is presently before the Congress as to which the President has not advised the House regarding his position. I refer particularly to the funds which most people think are necessary, starting in January, for the student loan program under the National Defense Education Act. In my opinion, these funds are urgently needed. Thousands of students will not have sufficient money for the record semester of this school year if we do not appropriate these funds.

On Saturday I reminded the House that a conference committee could insert these funds in the supplemental appropriation bill, House Joint Resolution 875, if the request was forthcoming from the Chief Executive. I have been advised by the Bureau of the Budget that a letter requesting funds under the program to assist schools in federally impacted areas and also under the student loan program was on the President's desk several days ago but still awaits his signature. I feel these two domestic programs for the education of our children and youth should be given at least as high a priority as financing food purchases for the Soviet Union and other Communist countries.

Mr. Speaker, I hope the President has sufficient interest in the education of our young people that a letter of transmittal requesting funds for the schools in impacted areas, and also for the student loan program will be forthcoming soon so that we can consider it in connection with House Joint Resolution 875. I have been discussing, with Members on both sides of the aisle, the possibility of taking the Department of Health, Education, and Welfare's request, that has the Bureau of the Budget's approval, but which the President so far has not seen fit to approve, and try to get unanimous consent to agree to include them both in the joint resolution. However, it looks like that cannot be done if we lack Presidential support.

IN MEMORIAM—J.F.K.

(Mr. RYAN of Michigan (at the request of Mr. MILLS) was granted per-

mission to extend his remarks at this point and to include a poem.)

Mr. RYAN of Michigan. Mr. Speaker, I would like to take this opportunity to place into the RECORD a poem composed by the Honorable Wade McCree, judge of the district court for eastern Michigan.

Judge Wade McCree presided at the memorial service on November 25, 1963, for our late President, John F. Kennedy, on the site of the old city hall at Detroit, Mich., which is now appropriately called Kennedy Plaza.

After the following very pertinent observation of Judge McCree, who said:

Regardless of any opinion we may entertain about Lee Harvey Oswald and Jack Ruby, we should include their griefstricken families within the ambit of our compassion.

Judge McCree closed his remarks with the following poem which he composed for the occasion, and which I wish to bring to the attention of the Members of this honorable body as a further tribute to our beloved President, whose life was snuffed out at the height of his career.

The poem follows:

IN MEMORIAM—J.F.K.

What can we do, surviving him who died
In selfless service to transform a world
From one of hate and war and vaunted pride
To one of love with freedom's flag unfurled?

What can we do, surviving, to assure
That his last gift shall not have been in vain?

What did his noble sacrifice procure
Or must this tragic loss be void of gain?

To bow our heads in grief as we stand here
To shed our tears and count ourselves bereft

Profanes this noble hero's flag-draped bier
Unless we learn the lesson he has left.

If we would honor him we mourn today
We must forsake forever hatred's way.

(Mr. GROSS asked and was given permission to extend his remarks at this point.)

[Mr. GROSS' remarks will appear hereafter in the Appendix.]

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. RYAN of New York and to include extraneous matter.

Mr. DORN and to include extraneous matter.

Mr. RHODES of Pennsylvania in two instances and to include extraneous matter.

Mr. FARBERSTEIN and to include extraneous matter.

Mr. HECHLER in two instances.

Mr. O'HARA of Illinois in two instances.

Mr. MADDEN and to include an editorial.

Mr. LAIRD in five instances and to include extraneous matter.

The following Members (at the request of Mr. SCHADEBERG) and to include extraneous matter:

Mr. BROOMFIELD.

Mr. FOREMAN in two instances.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 26, 1963
For actions of Dec. 24, 1963
88th-1st; No. 214

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HIGHLIGHTS: House agreed to conference report on foreign-aid appropriation bill and adopted modified amendment on wheat for Russia. Rep. Broyhill, N.C., questioned Appalachia aid. Sen. Proxmire criticized certain water projects. Senate agreed to vote on foreign-aid appropriations Dec. 30. House agreed to adjourn Dec. 30 and reconvene Jan. 7.

SENATE

1. EXPENDITURES. Sen. Proxmire criticized "Federal waste in our huge water re-source projects including the surplus farm crops problem. pp. 24308-14
2. ADJOURNMENT; LEGISLATIVE PROGRAM. Adjourned until Fri., Dec. 27, and agreed to adjourn immediately on that date until Mon., Dec. 30, when the conference report on the foreign-aid appropriation bill is to be considered. p. 24315

HOUSE

3. FOREIGN-AID APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 9499, and acted on amendments which had been reported in disagreement. Adopted, 189-159, a modified amendment prohibiting Export-Import Bank credit to Communist countries except when the President determines such action to be in the national interest and reports each such determination to Congress. pp. 24316-37, 24354, A7837-8, A7840
4. APPALACHIA. Rep. Broyhill, N.C., questioned the need for special aid in the development of Appalachia. p. 24342
5. APPROPRIATIONS. Reps. Cannon and Bow inserted tables and summaries on the appropriations made this year. pp. 24350-2, 24354-6
6. ADJOURNMENT; LEGISLATIVE PROGRAM. Adjourned until Fri., Dec. 27 (p. 24367). Agreed to H. Con. Res. 248, providing for sine die adjournment Dec. 30 (p. 24348). Both Houses passed without amendment H. J. Res. 880, providing that the second session shall convene Jan. 7 (pp. 24348, 24315). Rep. Albert announced the legislative program for the week of Jan. 7 as follows: Tues. and Wed., Private Calendar, State-of-the-Union message; Thurs., amendments to Bacon-Davis Act (p. 24366).

RECESS

Mr. PROXMIRE. Mr. President, I move that the Senate now take a recess subject to the call of the Chair.

The ACTING PRESIDENT pro tempore. Without objection, the motion is agreed to; and the Chair announces that he will be available, and that as soon as possible after 1 p.m., the Senate will reconvene.

Thereupon, at 12 o'clock and 35 minutes p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 1 o'clock and 10 minutes p.m., and was called to order by the Acting President pro tempore.

ORDER OF BUSINESS

Mr. KUCHEL rose.

The ACTING PRESIDENT pro tempore. Does the Senator from California desire to address the Senate?

Mr. KUCHEL. I do, Mr. President.

After consulting with my colleague the distinguished acting majority leader [Mr. PROXMIRE], and by telephone with both the majority leader and the minority leader, it is the plan of the leadership in the Senate for the Senate to adjourn from today until Friday and from Friday until Monday next, by which time all Senators will have been placed on notice that the conference report on the foreign aid bill then will be considered, and presumably passed.

Under those circumstances, I say to my friend the Senator from Wisconsin, if there is no objection among those faithful colleagues who are present today to consider the joint resolution, H. J. Res. 880, at the desk, I suggest that we proceed with that business and then adjourn until Friday.

Mr. PROXMIRE. Mr. President, I agree.

DATE FOR CONVENING OF 2D SESSION OF 88TH CONGRESS

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution (H. J. Res. 880), establishing that the 2d regular session of the 88th Congress convene at noon on Tuesday, January 7, 1964?

There being no objection, the Senate proceeded to consider the joint resolution.

The ACTING PRESIDENT pro tempore. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 880) was ordered to a third reading, was read the third time, and passed.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on December 23, 1963, he presented to the President of the United States the following enrolled bills:

S. 1175. An act to revise the boundaries of the Carlsbad National Park in the State of New Mexico, and for other purposes; and

S. 2311. An act to provide for the preparation and printing of compilations of materials relating to annual national high school and college topics.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. RANDOLPH:

Address on automation in industry, delivered by the Secretary of Labor on December 19, 1963.

Articles on decreasing unemployment in West Virginia, published in the Charleston (W. Va.) Gazette of December 19, 1963.

By Mr. McCARTHY:

Articles written by Eliot Janeway, and published in the Chicago Tribune of December 5 and 9, 1963, dealing with the proposed tax cut and its effects.

Editorials on the Christmas season.

Editorial on foreign aid, published in the New York Times.

By Mr. FULBRIGHT:

Commentary by David Schoenbrun on the meaning of democracy.

ORDER FOR ADJOURNMENT UNTIL FRIDAY, DECEMBER 27, AT 9 A.M.; AND FOR ADJOURNMENT FROM FRIDAY UNTIL MONDAY, DECEMBER 30, AT 10 A.M.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that when the Senate adjourns today it adjourn to reconvene on Friday, December 27, at 9 a.m., and that when it adjourns on Friday it adjourn to reconvene at 10 a.m. on Monday, December 30, and that the

business to be laid before the Senate at that time be the conference report on the foreign aid appropriation bill, H.R. 9499.

The ACTING PRESIDENT pro tempore. The Chair wishes to inquire whether it is the intention of the acting majority leader that the Senate not transact any business on Friday?

Mr. PROXMIRE. That is certainly the intention of the acting majority leader. That was certainly the intention of the majority leader and of the minority leader when this request was agreed to.

The session of the Senate on Friday will be merely a pro forma session. The Senate will come in at 9 o'clock a.m. and go out shortly after that, and no business will be transacted.

Mr. KUCHEL. Mr. President, in view of the statement just made by our able friend from Wisconsin, I wonder if the Senator is willing to revise the unanimous-consent request so that the consent agreement will include the fact that there will be no business transacted on Friday.

Mr. PROXMIRE. Surely.

The ACTING PRESIDENT pro tempore. Without objection, that will be included in the unanimous-consent request.

Is there objection to the unanimous-consent request of the Senator from Wisconsin? The Chair hears none; and, without objection, the orders are entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That at the conclusion of its business today the Senate adjourn until 9 o'clock a.m. Friday, December 27, 1963; that immediately after convening on that day the Presiding Officer shall, without the transaction of any business or debate, declare the Senate adjourned until 10 o'clock a.m. Monday, December 30, 1963, at which time the Senate shall proceed to the consideration of the conference report on H.R. 9499, the Foreign Assistance Act of 1963. (December 24, 1963.)

ADJOURNMENT UNTIL 9 A.M. FRIDAY, DECEMBER 27, 1963

The ACTING PRESIDENT pro tempore. In accordance with the order previously entered, the Senate will now adjourn.

Thereupon (at 1 o'clock and 14 minutes p.m.) the Senate adjourned, under the previous order, until Friday, December 27, 1963, at 9 o'clock a.m.

House of Representatives

TUESDAY, DECEMBER 24, 1963

The House met at 7 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 72: 11: *Yea, all kings shall fall down before Him, and all nations shall serve Him.*

Almighty God, our Father, in Thy divine keeping and control are the coming in and the going out of all our days and years.

Grant that these words of Thy servant, whom Thou hast richly endowed with insight and inspiration, may be completely realized by all the members of the human family:

"Many merry Christmases. Many happy New Years. Unbroken friendships. Great accumulation of cheerful recollections. Affection on earth. And heaven at last for all of us."

Hear us through the merits and mediation of our blessed Lord whom the ancient prophet proclaimed that His name shall be called Wonderful, Counselor, the Mighty God, the Everlasting Father, the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

WAIVING OF POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON H.R. 9499

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 600 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to consider without the intervention of any point of order the conference report on the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, and that during the consideration of the amendment of the Senate numbered 20 to the bill, it shall be in order to consider, without the intervention of any point of order, a motion by the chairman of the managers on the part of the House to recede and concur in said Senate amendment numbered 20 with an amendment.

The SPEAKER. The gentleman from Virginia [Mr. SMITH] is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentlewoman from New York [Mrs. St. GEORGE] 30 minutes, and I would like to inquire if the gentlewoman from New York would wish to use some of the time.

Mrs. ST. GEORGE. Mr. Speaker, I will use some of the time. Yes, sir. Do you want me to use it now?

Mr. SMITH of Virginia. I think that we all understand what this is about. In the interests of proceeding more rapidly, I wish the gentlewoman would go first.

The SPEAKER. The gentlewoman from New York [Mrs. St. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, I have very little to say on this resolution. I quite agree with the chairman of the Committee on Rules. I believe everybody knows what we are going to talk about today, and I hope we will talk about it very briefly. Certainly everybody knows what has been going on here for the last couple of weeks. We deplore it, and it probably is the greatest argument for changes in certain rules of the House. I must, however, call the attention of the House to one thing: Some of us have been told that the Committee on Rules was rather a useless appendage; that it was quite useless and that nobody really thought very much of it. I note, however, Mr. Speaker, that it has been necessary to have recourse to the Committee on Rules to get this bill on the floor, so maybe there is some use to it after all—not that I am for the bill.

We all have the privilege of revising and extending our remarks.

For that reason it is to be hoped we will all do that this morning. Then our words will go down to posterity. Everyone will be able to read them. Future generations yet unborn will be able to see them. But those of us who are here on this Christmas Eve need not listen to them.

Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I shall not take 5 minutes. I think we should be certain about the procedure, especially on our side of the aisle. You will recall the last time—I will not say the first or the second time, but the last time we voted on this issue the conference report itself was in disagreement and therefore the principal vote on this side occurred on a motion to recommit the conference report. This morning the circumstance is, as I understand the procedure, that the conference report is not in disagreement. The language in disagreement is to a Senate amendment, No. 20, to the conference report. So, said another way, I assume that the conference report will be approved when it comes before the House.

There is one technical amendment, amendment No. 14, which I understand is not in dispute. The next Senate amendment, No. 20, is in dispute and I presume the gentleman from Louisiana will move to recede from the House position and concur in that amendment with an amendment. It is at that point, may I say to my colleagues on our side of the

aisle, that the principal vote will occur this morning.

I might add further, if we prevail on this side of the aisle, and in justice certainly we should, it is assumed that the gentleman from Arizona [Mr. RHODES] will be recognized to move that the House conferees insist on the House position.

With that, Mr. Speaker, I yield back the balance of my time.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Speaker, I shall not use 5 minutes, but as one of you who has been disturbed in these last days at the reputation we have made for ourselves in the country and in the world, it seems a very great pity that at this time of year particularly we should have been fighting each other and doing things for which, as the gentlewoman from New York [Mrs. St. GEORGE] has said, future generations will not be proud.

I sincerely hope, Mr. Speaker, that the Members who are here this morning—and I congratulate those who came back under such very difficult conditions—will do their voting this morning in the spirit of Christmas, not in the spirit of battle. This is so important to the whole world. Unless we can demonstrate peace within our own frontiers how can we expect to be of any moment at all in the decisions of the world?

Mrs. ST. GEORGE. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, day after day the Soviet Union spends \$1 million a day in Cuba to defy us and destroy liberty and freedom to the Cuban people. Today we are asked to open the door that American taxpayers finance sale of products to the Soviet Union.

Shall we endorse the Soviet Union's note at the expense of the American taxpayer? Shall we extend further credit to a nation that now is in default to us over \$10 billion?

Shall we now begin to finance both sides of the cold war?

TO SELL OR NOT SELL WHEAT IS NOT THE QUESTION

Mr. Speaker, there have been some who have tried to lead us down the primrose path into confusion from the real issue. It is not shall we or shall we not sell wheat to the Soviets. When this issue was first discussed with the American people we were told the wheat sale would be for dollars or gold. That it would help our balance of payments. This is not the issue today.

This is not a proposal which involves the question whether we should trade wheat, corn, cotton, or tobacco. The amendment deals with all products and for all countries. It involves the ques-

tion whether we want to do business with Communist dictators helping them to import the things they need to shore up the staggering economy in Communist countries by means of the credit extended by the American taxpayers.

What has happened to the wheat deal for dollars or gold?

Again I point out this amendment is not for wheat but for products.

Webster's dictionary defines "product" as: "Product—anything produced as by generation, growth, labor, or thought."

Shall we delegate this great power, shall we grant this unlimited authority? I hope not.

We have spoken twice. Twice before this issue has been settled by a majority vote of this House.

It is an open secret, of course, that the President wants this power. He has used his influence, prestige, and skill to overturn the will of this House.

Are we in the future to expect the power of the Executive to dictate and overturn the action of Congress except through his constitutional veto?

I would hope not.

Less than 1 month ago, on November 27, 1963, in an address by the President before a joint session of Congress he said—

As one who has long served in both Houses of the Congress, I firmly believe in the independence and integrity of the legislative branch. I promise you that I shall always respect this. It is deep in the marrow of my bones. With equal firmness, I believe in the capacity and the ability of the Congress, despite the divisions of opinion which characterize our Nation, to act—to act wisely, vigorously, and speedily when the need arises.

Mr. Speaker, I too have served here some years. I believe in the independence and integrity of this House. In the past few days and nights I have fought to protect that integrity and independence. The opposition has been great and not all of it has come from within the House.

THE ROLE OF THE PRESIDENT AND OF THE HOUSE IN FOREIGN AFFAIRS

Mr. Speaker, there are those who say that under the Constitution the sole power in foreign affairs rests with the President. I challenge anyone in this House or elsewhere to find any such language in the Constitution. But the authority of the Congress in appropriations is well settled. Let us look at history.

HOW THE FOUNDING FATHERS FELT

It is clear that many of the men who assembled in Philadelphia in 1787 to frame a constitution for the newly independent colonies favored an executive with limited powers. Madison notes in his journal of Friday, June 1, 1787, that one of the delegates, Mr. Sherman, echoed the feelings of other present when he said that he considered the executive office as nothing more than an institution for carrying into effect the will of the legislature. Sherman went so far as to say that the Executive ought to be appointed by the legislature and accountable to that body since Congress would be the depository of the supreme will of the society. Sherman considered the legislators as the best judges of the

business which ought to be done by the executive department. Madison notes that another delegate, Mr. Wilson of Pennsylvania, considered the execution of the laws and the appointing of officers the only strictly Executive functions.

These comments proved typical of the sentiment evoked by Charles Pinckney's preliminary plan for Executive powers introduced before the delegates only 3 days before, on Tuesday, May 29:

He shall receive public ministers from foreign nations, and may correspond with the executives of the different States. He shall have power to grant pardons and reprieves except in impeachments. He shall be Commander in Chief of the Army and Navy of the United States and of the militia of the several States.

Opinion was so divided and strong over the powers of the executive branch that the Convention resolved on July 23, 1787, to refer to a committee the drafting of a report of the powers of the Executive conformable to the major resolutions already passed by the Convention. The committee, composed of Nathaniel Gorham, of Massachusetts; James Wilson, of Pennsylvania; Edmund Randolph, of Virginia; John Rutledge, of South Carolina; and Oliver Ellsworth, of Connecticut, was thus justified to enumerate a more complete definition of the powers of the future President. The only powers thus far conferred by the Convention had been the veto, appointment—but not of judges—and the execution of laws. Madison's original idea had been to leave the unenumerated powers to the will of the legislature as expressed through legislative enactments. Now the committee faced a question of enormous importance: Shall control of the military and foreign relations be left with one Executive? Should the powers be enumerated?

Of the 12 listed powers of the Executive only the 10th in the draft of the proposal which Randolph drew up was connected with foreign relations: "receiving ambassadors." Up to this point, the Convention, as far as the records show, gave the subject of international affairs no attention. The only recorded reference to this area of potential Executive action had been in the provisions of a sketch Alexander Hamilton had drawn up whereby treaties would be made and ambassadors named by the Executive with the advice and consent of the Senate.

One member of the committee, Ellsworth, was decidedly for a strong, independent head of government. Rutledge and Randolph favored a weak Chief of State. Randolph regarded foreign affairs essentially as a matter to be decided by the Legislature as a body or by the Senate alone.

Randolph's original proposals were amended so that the committee later gave the power "to be Commander in Chief of the land and naval power of the Union and of the Militia of the Several States." Changes were also made in the direction of making the Senate the sole organ of foreign affairs. Finally, Wilson drew on Randolph's amended draft, Charles Pinckney's plan of May 29, and certain provisions of the New York con-

stitution to draft a final plan of Executive powers. No other powers relating to foreign affairs were added. The chief feature of the Wilson plan was the independent possession by the executive department of its powers by direct grant of the people. Unfortunately, there is no indication or evidence in the records whether Wilson intended the enumerated powers to be an exhaustive description of that general Executive power which the President held as the executor of the Nation's laws. The construction of many State constitutions of the time already realized the importance of unenumerated Executive power for more responsive, flexible leadership.

On August 20, 1787, Gouverneur Morris, of Pennsylvania, and Charles Pinckney submitted a plan before the delegates for the complete constitutional organization of the executive department of the National Government. There were to be five departments of the executive branch, each headed by a secretary. Together with the Chief Justice they were to be a council of state to assist the President in conducting public affairs. This plan confirms the fact that the delegates generally regarded the President as a sort of chief administrator. This belief is reinforced by the fact that the duties of these heads of department were enumerated, the secretary of each department responsible to the President. The Secretary of Foreign Affairs had for his functions: "to correspond with all foreign ministers, prepare plans for treaties, and consider such as may be transmitted from abroad, and generally to attend to the interests of the United States in their connection with foreign powers."

Those duties for which the subordinate secretaries became responsible became an integral part of the Presidential power. The recognition that the President, although granted little real power—except as Commander in Chief—in the Constitution in the field of foreign affairs, was generally taken by the Founding Fathers as the single constitutional representative of the people in this area can be seen in the terms of the Foreign Department bill; the sole purpose of the Foreign Department was to carry out the will of the President. Only the Treasury Department was created solely to carry out the acts of Congress. As one political scientist has put it:

Where by the terms of the Constitution, the National Government is vested with control over a certain sphere of action, that portion of the field is the President's which is executive in character. Thus the Constitution makes the National Government the sole organ in foreign affairs. Since many powers are not enumerated, they are the President's as of constitutional right, being of an executive character (Charles Thatch, "The Creation of the Presidency, 1775-89," Baltimore, 1922).

Today the President undoubtedly acts more arbitrarily and independently than the framers of the Constitution ever intended him to act. Custom, law, court decisions, and the practice of foreign nations have placed the President in a prominent position in the formation and execution of foreign policy. Certainly

secrecy, unity of operation, continuity, and access to information are characteristics of his office. These necessary elements are peculiar to the President. Congress, by nature, possess none of them. It was felt by one of the most articulate delegates at the Convention that even the Senate could not properly deal with international relations:

To have entrusted the power of making treaties to the Senate alone, would have been to relinquish the benefits of the constitutional agency of the President in the conduct of foreign relations (Alexander Hamilton, "The Federalist," LXXV).

This same intellectual forcefully explained the few enumerated powers directly granted to the President in the Constitution by describing the important implications of a broad interpretation of Executive power:

The enumeration (of Executive powers in the Constitution) ought therefore to be considered as intended merely to specify the principal articles in the definition of Executive power, having the rest to flow from the general grant of that power, interpreted in conformity with other parts of the Constitution, and with the principles of free government.

The general doctrine of our Constitution, then, is that the Executive power of the Nation is rested in the President, subject only to the exceptions and qualifications which are expressed in the instrument. (Alexander Hamilton in the Philadelphia Gazette, June 29, 1793.)

Jefferson himself referred to the transaction of business with foreign nations as "executive altogether" and John Marshall declared in the House of Representatives on March 7, 1800, that "the President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations." The Senate itself early enough recognized that all powers claimed by the President in the field of foreign affairs not specifically named in the Constitution must nevertheless be considered as emanating from the Constitution:

The President is the constitutional representative of the United States with regard to foreign nations. For his conduct he is responsible to the Constitution. (S. Doc. 231, 56th Cong., 2d sess.)

Thus, aside from the chief provisions of the Constitution relating to foreign affairs—

The President shall be Commander in Chief of the Army and Navy of the United States * * *. He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur * * * appoint ambassadors, other public ministers and consuls * * * receive ambassadors and other public ministers—

Presidential power in this area has grown chiefly from necessity and the demands of executive leadership in a field requiring secrecy and unity of command.

But the nature of foreign affairs and the characteristics of the Executive Office which fit the President to the task are merely one side of the coin. On the other side is the rightful role of Congress in foreign relations, and in a rather ironic sense, the part played by the Appropriations Committee. Congress and the President were bound to cross swords

early over the financial support of foreign policy flowing from the Executive Office, and interestingly, even though Congress historically has followed Presidential recommendations for appropriations for crucial policies, the House of Representatives has made clear its rightful, constitutional position with reference to money matters. When a bill was introduced into the House for appropriations for the Jay Treaty during Washington's administration, opposition developed and the view was quickly advanced that the House really was free to grant or withhold the required funds on its own view of the merits of the treaty. A majority of the House sanctioned this position, even though the appropriations were finally granted. But to the authorization was attached the following resolution:

When a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend, for its execution, as to such stipulations, on a law or laws to be passed by Congress. And it is the constitutional right and duty of the House of Representatives, in all such cases, to deliberate on the expediency or in expediency of carrying such treaty into effect, and to determine and act thereon, as, in their judgment, may be most conducive to the public good.

In the matter of the Jay Treaty, the House was not constitutionally bound to appropriate the necessary funds. In voting the money to carry out the treaty, however, the House certainly was exercising its part of the "whole legislative power" and had, accordingly, its right to exercise its full constitutional discretion in the matter.—Noted by Edward S. Corbin in "The President's Control of Foreign Relations," Cambridge, 1917.

If the Jay Treaty established congressional opinion regarding the appropriation of money, it also fixed the Presidential prerogative of wide discretion in foreign affairs. When the House of Representatives asked George Washington to lay before it the instructions, correspondence, and documents relating to the treaty he said:

The nature of foreign negotiations requires caution, and their success must often depend on secrecy, and even when brought to a conclusion, a full disclosure of all the measures, demands, or eventual concessions which may have been proposed or contemplated would be extremely impolitic, for this might have a pernicious influence on future negotiations or produce immediate inconveniences, perhaps danger and mischief, in relation to other powers.

Thus, at the same time both congressional rights with respect to appropriations and the Presidential power of single command in foreign affairs was fixed. Even the modern notion of foreign policy decisions in the vital interests of U.S. security find precedent in the first important foreign policy legislation in this country: the Embargo Act of 1794 authorized the President to lay the embargo "whenever, in his opinion, the public safety shall so require," and "to continue or revoke the same whenever he shall think proper." By the more recent lend-lease proposal, action could have been taken when the President deemed it "in the interest of national defense," and the benefits of the statute

were extended to "the government of any country whose defense the President—deemed—vital to the defense of the United States."

We now see that the volatile question of wide discretionary powers available to the President is one founded on precedents set by the first Executive of the United States, agreed to by both Houses of the National Legislature, and followed up by later Presidents and Congresses. Perhaps the wording of an 1860 court decision defines even today the peculiar position which the President occupies:

As the Executive head of the Nation, the President is made the only legitimate organ of the General Government to open or carry on correspondence or negotiations with foreign nations in matters concerning the interests of the country or of its citizens (*Durand v. Holland*, 8 Fed. Cas. No. 4186).

The Supreme Court in 1936 officially awarded to the President legal claim in the exercising of discretionary powers as sole organ of the Federal Government in the field of foreign affairs. In the important *Curtiss-Wright* case, the Court recognized this power as exclusive and plenary—a power in international relations which "does not require as a basis for its exercise an act of Congress."

The decision in the *Curtiss-Wright* case sustained the constitutionality of a joint resolution of Congress of 1934 authorizing the President to forbid the sale of arms to the participants in the Chaco dispute between Bolivia and Paraguay "if the President finds that the prohibition may contribute to the reestablishment of peace between those countries."

The *Curtiss-Wright Export Co.* was charged with having violated the resolution by selling machineguns to Bolivia. A demurrer to indictment was filed on the ground that the resolution was unconstitutional, as it amounted to an unconstitutional delegation of legislative power to the President. The demurrer was sustained in a district court but was reversed in the Supreme Court.

Justice Sutherland in his opinion for the Court seemed in effect to withdraw virtually all constitutional limitation upon the scope of congressional delegation of power to the President to act in the field of international relations. Sutherland's reasoning in the case rested on what he named as the difference between the powers of the Federal Government with respect to foreign and external affairs and those having to do with internal or domestic affairs. The difference, according to Sutherland related both to origin and nature. He wrote as follows:

The very delicate, plenary, and exclusive power of the President as the sole organ of the Federal Government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress, but which, of course, like every other governmental power, must be exercised in subordination to the applicable provisions of the Constitution. It is quite apparent that if, in the maintenance of our international relations embarrassment is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were

domestic affairs alone involved * * * he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries. He has the confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary and the premature disclosure of it productive of harmful results. * * * Powers of external sovereignty of the Federal Government, including the power to declare war and conclude peace, to make treaties and maintain diplomatic relations, are not dependent on affirmative grants of the Constitution.

APPROPRIATIONS

It has long been recognized by Presidents, Members of Congress, and political scientists that the appropriating of public money often has a far greater impact on the formation of foreign policy than the substantive decisions coming from the White House. The House is at liberty to insert provisos or instructions in appropriations bills which have the effect of determining or modifying policy. Of course, Congress may withhold funds altogether and thus completely cancel an executive policy. To the extent that funds are withheld or the terms and conditions set for the expenditure of Treasury money, Congress may prescribe its own policy. But this is as it should be. According to the Constitution, article I, section 9, clause 7:

No money shall be drawn from the Treasury but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditure of public money shall be published from time to time.

That Congress may check the desire of the President to give Communists further financial assistance is clearly drawn from the provisions of the Constitution. Indeed, perhaps the President should possess wide discretion in the matter of deciding what is in the vital interest of national security. The wisdom of possessing such power apparently goes unchallenged. But in the matter of spending public money Congress alone may declare for what purpose the funds may be used, the terms of expenditure, and the conditions under which the taxpayers' dollars may be sent overseas. The Constitution grants this power directly. An important court decision of 1945 confirms Congress' unique position. During the Second World War certain subcontractors sought action in the courts for a declaratory judgment that the Renegotiation Act (50 U.S.C.A. App. 1191) was unconstitutional and therefore did not authorize the War Department to recapture alleged excessive profits. The court said the action presented no justiciable controversy because Congress, in making an appropriation, has the power not only to designate the purpose of an appropriation, but also the conditions under which an executive department of the Government could expend the appropriation.

The purpose of appropriations and terms and conditions under which they are made is a matter solely in the hands of Congress, and it is the explicit duty of the executive branch to comply therewith, and any attempt by the judicial branch to interfere therewith would be a plain invasion of the constitutional powers of Congress. (*Spaulding*

v. Douglas Aircraft Co., D.C. Cal., 60 F. Supp. 985).

Mrs. ST. GEORGE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. GROSS' remarks will appear hereafter in the Appendix.]

Mrs. ST. GEORGE. Mr. Speaker, I yield such time as he may require to the gentleman from Wisconsin [Mr. LAIRD].

(Mr. LAIRD asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. LAIRD'S remarks will appear hereafter in the Appendix.]

Mrs. ST. GEORGE. Mr. Speaker, I yield such time as he may require to the gentleman from Illinois, Mr. FINDLEY.

(Mr. FINDLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FINDLEY. Mr. Speaker, every one of us would prefer to be elsewhere at this moment. This is Christmas eve.

Christmas is in your mind—a personal Christmas, a family Christmas. Many of you were already at home—a thousand, 2,000 or more miles from here—when summoned back to Capitol Hill.

And rightly you probably feel sorry for yourself at having to be here. With airlines clogged this holiday week, you may have trouble getting back home in time for Christmas, even if the issue before us is resolved quickly.

Let us give a little thought to how other American citizens will spend Christmas.

What kind of a Christmas will it be for the families of the men who died last week fighting communism in South Vietnam?

What kind of a Christmas will it be for the families of the thousands and thousands of American men who died fighting communism in South Korea just a decade ago?

Eight American divisions are in Europe. Thousands of American men who will not be home for Christmas. Other thousands of American men in uniform will be away from home on Christmas because they are in South Vietnam, on the high seas, in South Korea—in a thousand military duty stations overseas.

What kind of a Christmas will they have? It will not be a family Christmas. They will be away from home, away from family, away from the joy of a family Christmas. Why? Because they are a part of the military might of this Nation, a military machine created because of communism and arrayed against communism.

Were it not for the existence of powerful Communist governments—principally the Soviet Union—these thousands of American men could safely be released from official duty to spend Christmas at home with their families.

But the Soviet Union does exist. It is a powerful Communist government, allied with other powerful Communist governments. Because of this fact thousands and thousands of American men will not be home for Christmas.

They will be scattered all over the world manning the ramparts against communism.

It is entirely fitting and proper that we, too, as their elected representatives, be willing to be on duty this Christmas and do our bit against communism.

Were it not for the existence of powerful Communist governments, in Russia, and elsewhere, the House of Representatives would not be in session today. We could all be home this very moment.

We were called back to duty to resolve one question and one alone, an amendment that goes to the heart of our efforts against communism. Only one item in the foreign aid appropriation bill is in dispute—the amendment to prohibit financing the Communists. It would keep American tax dollars from giving aid and comfort to Communist governments. It is as simple as that.

On this vote, you cannot hide behind President Johnson's coattails. The President is already on record—yes, even on the CONGRESSIONAL RECORD—as plain as day in favor of subsidized credit for the Communists through the Export-Import Bank. So for all practical purposes, if you vote to give the President discretion, you vote to help finance the Communists. The President has announced how he will go, so you cannot get by trying to pass the buck to him.

Yes, it is Christmas week, and we all want to be home. And it may seem that the easy way to get there is to reject the motion to recommit the conference report—and thus OK financing the Communists.

But, is it really the easy way out?

How will you explain your vote—a vote to aid Communist governments—to your constituents who are in American uniform in Europe, in South Vietnam, or any of a thousand other foreign places—American men who are away from home on Christmas in order to meet the threat posed by these same Communist governments?

How will you explain voting to finance the Communists to your constituents who lost sons, brothers, and fathers fighting communism in Korea and South Vietnam?

How will you explain your vote to any constituent for that matter? Every constituent is digging deep in his pocketbook to help finance our billion-a-week outlay for defense against communism.

Yes, it seems easy to cave in on this issue. Let the Senate have its way. Let the President go ahead with his announced determination to help finance the Communists. That way, we can all hurry home to the Christmas tree.

But how will you explain it to yourself when, in the glow of the Christmas tree lights, you look into the eyes of your own trusting family?

Mrs. ST. GEORGE. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DOLE. Mr. Speaker, the Democratic leadership by making the prestige of President Johnson, the issue may finally in a third effort defeat the provision banning Government guarantees of

credit on grain sales, and sales of other products to Russia and other Communist countries.

The basic issue of whether it is morally or legally right to guarantee Communist countries credit has been glossed over. Statements that indicate adoption of the "anti-Red credit ban" would prevent sale of wheat, or other commodities, to Communist countries are erroneous for in fact the provision would firm up what our late President, John F. Kennedy, stated on October 9 in approving sales to Russia and other countries for cash or gold. The "Red credit ban" is referred to as the "wheat amendment," but in fact Russia wants to buy industrial alcohol, fertilizer plants and many other products. The "credit ban" provision requires cash or gold in payment instead of credit and has no bearing on the sales of wheat, otherwise. It may still be sold for cash or gold. The following facts are completely ignored in frantic Yuletide efforts to "bail out" the administration.

First. Present Russian obligation from World War I—with interest total over \$620 million.

Second. So-called pipeline lend-lease in World War II—that is material ordered by Russia and delivered at end of war. The amount agreed to was over \$222 million—but nearly \$206 million remains unpaid.

Third. The \$11 billion lend-lease shipped to Russia during World War II—we agreed to settle for \$800 million—Russia offered \$300 million in full settlement.

Fourth. Russia now owes the United Nations nearly \$43 million for unpaid special assessments.

Fifth. That just 2 weeks ago J. Edgar Hoover, FBI Director said—

We are at war with communism and the sooner every red-blooded American realizes this the safer we will be.

Sixth. That in the same bill containing the "Red credit ban," American taxpayers are asked to "shell out" nearly \$3 billion for foreign aid for what? Why, to protect us from communism.

Seventh. That guarantee of Russian credit is a new departure for the Export-Import Bank, in fact since its inception in 1934 the Bank has never insured a credit risk or extended credit to Russia, Hungary, Red China, or any Communist country except Yugoslavia which has been treated "specially," for some reason.

Eighth. That defense appropriations this year exceeded \$5 billion—all—we are told—to protect us from communism.

These are but a few indisputable facts. Most significant is the fact some 14,000 Americans are now in Vietnam fighting communism and that 158 Americans have made the supreme sacrifice—all—we are told—to protect the free world from communism.

No doubt President Johnson and the Democratic leadership will win when the vote is taken but do not forget what were to be cash or gold may now become credit transactions. Commercial bankers and grain exporters are relieved from any financial risk as this will be assumed by the Export-Import Bank in the event of default by any Com-

munist country. As usual the only possible loser will be the American taxpayer as the Export-Import Bank is a Government-chartered institution and every dollar it has, or loses, belongs to the taxpayers.

If we yield to political pressures today are we not strengthening the hand of the enemy? Is there any real indications "relaxing of tensions" will become a bilateral undertaking?

If Russia, or some other Communist country can buy on credit of 18 months, which I trust will be the minimum, they can strengthen themselves in some other area of their economy or increase the pressures in other spots in the world, such as Cuba or Berlin.

I doubt my banker, or any banker, would lend or guarantee a nickel's worth of Russian credit—not even on the eve of Christmas—something, incidentally and unfortunately not recognized in Communist Russia. To go down fighting for principle is certainly honorable so when you vote "remember the Alamo."

GENERAL LEAVE •

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. BEERMANN. Mr. Speaker, I find it extremely strange that we are engaged here in debate again today on a feature of the foreign aid appropriation, the end result of which can only harm more segments of the American economy. And I also find it strange to reconcile the concern the executive branch of the Government has for furthering the world Communist movement, that has sworn to bury us, and at the same time exhibit so little concern toward a segment of our domestic economy.

I have reference to the livestock industry of the United States that at the present time is in an extremely precarious position as a result of imports. And although this effect of imports on the livestock industry has been brought to the attention of Secretary of Agriculture Freeman, the Tariff Commission, and President Johnson, nothing has been done, although the corrective measures are seemingly contained in section 301 of the 1962 Trade Expansion Act. I also find it difficult to account for the concern for Communist nations and the seeming unconcern for sections of the U.S. economy other than livestock. For instance, the administration has said that grain farmers will stand to lose \$600 million this year unless some type of a wheat program is put into effect; yet this administration has shown a distinct reluctance to come to the aid of the grain farmer unless he was willing to put his neck in a yoke and submit to farming under full Government control. At the same time we are asked to grant the President carte blanche as far as the Communist nations are concerned, and are not nearly so concerned with qualifying that need.

Now let us take a good hard close look at what many of you and President John-

son are asking us to do today. The administration has forecast a \$600 million loss to just one segment of agriculture and since many Members have said right on this floor that \$1 in agriculture is multiplied seven times, by simple arithmetic you are hurting our national economy in the national interest—some \$4,200 million worth to say nothing of the millions of dollars being lost daily in the livestock industry and the textile industry.

To summarize: What we are being asked to do today is to pass a \$3 billion foreign aid appropriation bill carrying an amendment authorizing the Export-Import Bank to guarantee payment for the sale of products to Communist countries, while at the same time the administration is ignoring domestic situations costing many times more, although the suffering industries are being forced to pay their share of foreign aid.

Mr. JOHANSEN. Mr. Speaker, there is no question as to the Christmas present the President of the United States wants from this House.

What he wants is as absolute and total freedom and flexibility for the executive branch in the field of foreign policy as he is able to wring from elected representatives of the American people who have twice recorded on a bipartisan basis their opposition to such a grant of power.

What he wants is a rubberstamp gift-wrapped in a blank check.

The issue is no longer merely wheat for Russia. The issue is no longer merely the right of Congress to forbid financing credit for the wheat transaction.

The issue is simply and inescapably whether the House of Representatives is to retain any meaningful controls on the tax-supported fiscal policy aspects of our foreign relations.

It may well be some time before the full significance of the issue now before this House dawns upon the American people.

But that realization will come—and with it will come a day of reckoning for the leadership which, at this moment, is employing every pressure tactic in the book to force a reversal of the twice-declared will of this House.

I noted over the weekend a statement in the press attributed to an unidentified White House source to the effect that the resistance to the administration in this matter is an attempt by "midwestern isolationists" to gain power over foreign policy.

The administration must be desperate indeed if it feels compelled to resurrect this "bogymen."

Back in 1949, a proposal was made in connection with a foreign aid appropriation bill to grant the executive branch a completely free hand in the allocation of appropriated foreign aid funds among recipient nations.

It was no midwestern isolationist, but a convert to internationalism and a staunch supporter of foreign aid—the late Senator Arthur Vandenberg of my own State of Michigan—who rose in the other body to denounce the suggestion as "a proposal for the virtual creation of a total, worldwide, war-lord power for the White House."

And that was the end of the matter—for then.

We have gone a long way down the road of legislative abdication since that courageous outburst by Senator Vandenberg.

It was in connection with the 1957 foreign aid authorization bill that Chairman Richards of the House Committee on Foreign Affairs declared:

Here you find the greatest flexibility power ever given to any President of the United States. He can move funds all over the place from one side of the world to the other.

During the debate on this bill in June 1956, I said on the floor of this House:

I do not detract one iota from my very great respect for the present President of the United States when I say that I am unwilling to bestow this power upon any President.

I was not accused of partisan politics when I made that statement. I could not be so accused. I am a Republican and the occupant of the White House when I made that statement was Dwight D. Eisenhower.

I am no more partisan when I say today that I am unwilling to bestow total freedom and flexibility of action of the type demanded upon the present occupant of the White House.

There can be no more justification for the Congress or this House to abdicate its right to impose restrictions on fiscal policy when that policy relates to foreign affairs than when it relates to domestic affairs. In either instance, it is abdication.

And when that abdication grants to any President complete discretionary authority to extend credit or financial assistance to Communist governments, it is a doubly repugnant and intolerable abdication.

It is an abdication to which I will never knowingly be a party.

Mr. ALGER. Mr. Speaker, we should not be considering this resolution today. Twice before the House has gone on record as opposed to extending credit to the Communists.

Now it seems the debate centers around whether or not credit will be extended through the Export-Import Bank. I want the record to show that at least one Member, this Member, although certainly there must be many more who do not believe we should do any business with the Communists, not in food, not in any product. This resolution would permit the President to do business with Russians in any product.

Mr. HUTCHINSON. Mr. Speaker, the debate on this issue has made much of the position of the President in the field of foreign policy.

Some Members have contended that the President is uniquely and exclusively responsible in our dealings with foreign nations. But, Mr. Speaker, the Constitution vests in the Congress very clear responsibilities.

It is true that the President makes treaties by and with the advice of the Senate. The Constitution also directs that he receive ambassadors and other public ministers.

But, Mr. Speaker, the Constitution also vests in Congress the power to regulate commerce with foreign nations, and the issue now before us lies four-square within that congressional responsibility.

The Constitution also vests in the Congress the determination of the expenditure of public money in the area of foreign relations.

The Congress should be as jealous to exercise its constitutional responsibilities as it is willing to implement the constitutional responsibilities of the other two branches of Government.

Senate Amendment No. 20, as revised by the conferees, delegates to the President the determination of what is in the national interest. The Congress should not abdicate its responsibilities here.

We, as the representatives of the American people, should ourselves determine the national interest, and, for myself, I believe it would be against our national interest to guarantee the credit of the Soviet Union or any other Communist country.

Mr. WYMAN. Mr. Speaker, every Member of this body who votes to authorize the President to give credit to Communist countries to buy goods is voting to aid communism. The only possible effect of such credit is a net plus for communism and a net minus for Americans, whether the goods the Communist nations buy are wheat or corn or ball bearings.

Such a vote is, in truth, a Christmas credit card for Khrushchev to be paid for by the American taxpayer. It is a credit card that will make the Communist bloc stronger. It is something the House has no business doing—no business yielding on to the other body—no business substituting for what we were once told by the Democrat administration was to be a hard cash transaction for gold to help our balance-of-payments deficit.

Every pressure in the book has been brought to bear upon the membership on the other side of the aisle to vote for this credit card to communism. And thanks to the voters of America there are a sufficient number of Democrats in this body to assure that when we vote today in all probability the vote will be to charge more Christmas gifts for Communist nations to the already overburdened American taxpayer.

Mr. Speaker, I hope that every Member of the House who votes "no" today will take the message of the full significance of an unwise vote of "Yes" to the people of his district again and again from now until our people can express their will at the polls next November.

Never has there been a more clear cut abdication of congressional responsibility to the American people. Never will there be presented a more glaring example of political pressure for sheer power at the expense of the national security. Never will there be shown a more crass and blatant steamroller in disregard of fiscal responsibility by an organized and determined Democrat leadership both in this House and from 1600 Pennsylvania Avenue. It is said by some of the more

experienced among the opposition that this is just another vote and that it will soon be forgotten. The suggestion is made that it is not the vote but the personality of incumbents that determines their reelection. Well, it is time the American voter paid some real attention to how the incumbent candidate has voted. Today's vote to aid communism to the tune of hundreds of millions of taxpayers' dollars in a bill appropriating \$3 billion to fight communism is something no candidate should ever be allowed to forget, nor should the voters when he seeks reelection. It cannot be explained away against any competent opponent. Such a vote is a monument to infamy.

What are a few simple unvarnished facts in the situation we face today?

First. Any financial aid we give to Communist nations frees an equal amount to these nations to devote to other purposes in the cold war, be they propaganda leaflets, military salaries or the manufacture of bombs.

Second. Without the extension of Export-Import Bank credit to back up Communist promises to pay American exporters, there is little likelihood that any exporter would sell to Communist buyers without having dollars on the line in advance.

Third. Communist nations already owe us hundreds of millions of dollars that they have promised to pay but have not paid, ranging for U.N. assessments to lend-lease. This is no time for Christmas presents. We should stand firm and collect what is due us before there is even talk of credit.

Fourth. Agricultural products that may be purchased with such Eximbank credit are already subsidized for export in an amount of roughly 60 cents per bushel. This subsidy should never be paid by the American taxpayer for shipments to Communist nations, let alone giving a credit card to Communists to purchase such products, adding insult to injury.

Mr. Speaker, I urge every Member to stand firm for America and the free world today and to vote against this credit to the enemy. This is not only a matter of fundamental principle—it is commonsense as well. The American people do not want tax money collected from them to be given away to friendly foreign nations unless it is urgently in the national interest. Under no circumstances do they want their taxes used to help unfriendly Communist nations.

A vote to give a credit card to Khrushchev is just that. The good people who sent us here know better than to do this. So should we.

I urge you to vote against allowing any U.S. agency to be a guarantor of loans to any Communist nation. It is morally and practically wrong.

Mrs. ST. GEORGE. Mr. Speaker, I have no further request for time.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may consume to the distinguished majority leader.

SWEARING IN OF MEMBER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas, Mr. JAMES JARRELL PICKLE, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I am not going to object, I just wanted to observe that I have checked with our Texas people on this side and they tell me there is no contest about the gentleman's election.

Mr. Speaker, I do not know how he is going to vote today. I rather assume he will vote against us. But I hope, with the indulgence of the Members on our side, if he has come up here from Texas to be here the day before Christmas, I think we ought to let him vote.

Mr. Speaker, I withdraw my reservation.

Mr. ALBERT. Mr. Speaker, may I observe that the charity of our beloved minority leader becomes not only himself but the season.

Mr. PICKLE appeared at the bar of the House and took the oath of office.

WAIVING OF POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON THE BILL H.R. 9499

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Speaker, as the gentlewoman from New York [Mrs. ST. GEORGE] stated, you really are not interested in listening to speeches. But there has been the inference on the floor of this House and in the press that anyone who opposes the administration is showing a distrust of President Johnson.

Mr. Speaker, I want this House and I want everyone to know that I will take great issue with anyone who distrusts Lyndon B. Johnson. I would also take great issue with anyone who challenges his ability to fill this high office that he now holds.

But, Members of the House, I want to refresh your memory to this effect: This proposal that we will vote on today is tied in with an amendment which was placed in the authorization bill last year, section 620(f) of the authorization bill which I happened to initiate and which you saw fit to adopt, after amending it. It was amended, if you will recall, to require some reporting to the Congress.

Well, Mr. Speaker, I was naive enough to think that the report would be in such form that I would know about it, also being a Member of Congress. The report was made, as required by law, but I had no knowledge of it, and I am sure most of you did not either, until the report of the hearings of the subcommittee of the gentleman from Louisiana [Mr. PASSMAN] were released on the 1st of October. They were marked "secret" when they were reported. They were

marked "secret" with a class 4, I believe it is—group 4, downgraded at 3-year intervals, declassified after 12 years.

I do not blame President Kennedy for that. I doubt if he knew that someone got happy with a rubber stamp and stamped this thing.

But, Mr. Speaker, I have faith in this Congress and in this House, and I take issue with anyone who says that this Congress and this House does not have a right to say something about how our money is going to be spent.

If you will recall, one of our ambassadors retired a while back and called us "provincial" and stated that we had no business meddling with the country's foreign affairs, that domestic affairs and activities were getting superior to our State Department affairs. He proposed a Secretary of State similar to a prime minister.

You recall I took issue with him on the floor of this House on that.

Do not vote today on a distrust of Lyndon B. Johnson, because if this House sees fit to give him that authority I think he will carry it out better than anyone has ever fulfilled the obligations of that office. But I want it clearly understood that my vote today is cast on my conviction, my conscience of the duty of the office I have been elected to uphold. I do not agree with the delaying tactics that have been going on on this side of the aisle one bit. We are going to have to face the issue. I would rather have faced it 2 or 3 days ago than have gone through what I have been going through, being torn up about having to oppose my beloved President. Vote your conscience, but by all means bear in mind that the man who holds the office of President will fulfill that duty better than anyone, in my opinion, has ever fulfilled it before.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this situation that has prevailed here the last few days will be written into the history of the country and the CONGRESSIONAL RECORD of what has happened this morning will probably be used as a precedent for this sort of issue. I do not think we ought to vote on this resolution until there is at least some statement here of what the real issue is on the part of those who are voting to sustain the House conferees; that is, voting for the amendment put on by the House and voted on twice and successfully carried twice.

There is a lot of politics hanging around all this. I do not think politics ought to be considered. The issue is too basic. I think we ought to be voting on what our consciences dictate on the particular issue, and the particular issue with some of us is this, and I will have to be right plain spoken about it—we do not want to extend credit to the Soviet Union.

Why do we not want to do that? I doubt that there is a Member of the House that, notwithstanding all the past history of our relations with that country and our present situation of relationship to it, I doubt if there is a man or woman in this House who, if the Russian people were starving and did not

have any money or resources, would refuse to give them the wheat. That is the history of this country. But the Russians are buying wheat all over the world, and we are told that they are selling their gold and paying for it. But they apparently do not want to pay cash to us—we are still "Uncle Sap."

When this situation first arose I was one that announced that I was willing to sell Russia some wheat if they needed it, but I wanted it "cash on the barrelhead," and I still want it cash on the barrel. Why should not some of us be hardhearted and businesslike and demand cash on the barrel? History again. What is the status of the obligations of the Russians to this country? We loaned them \$11 billion worth of goods and services in World War II under the lend-lease policy—\$11 billion. Have they paid it? Not one plugged nickel.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I will yield to the gentleman in just a minute.

These Members on the left who are yelling "Vote!" "Vote!" are carrying out their usual conduct; they do not want anybody else to do any talking when they do not agree with what is being said.

Mr. Speaker, I yield myself 3 additional minutes.

Now, you on the left can yell "Vote" some more. As I was saying when interrupted, they still owe \$11 billion that we advanced to them when they were with their backs to the wall. Subsequent to that we advanced them in goods and services \$230-odd more millions. Have they showed any disposition to pay that? No.

I wonder if they have paid their dues to the United Nations which have been in default for years. Now let us just be frank about this thing and let us not be afraid to lay the cards on the table. We have been running from potential enemies for the last 15 years and I am getting tired of running away.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. Will not the gentleman agree with me, it is most basic that if we advance credit to the Russians and Communists, we improve their capacity to cause trouble all around the world and that includes trouble in Cuba. But if we make them pay cash on the barrelhead for whatever they need whether it be wheat or anything else then that diminishes their capacity for causing trouble.

Mr. SMITH of Virginia. Well, I think it is a good policy to make them pay anyway.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. ALBERT. Mr. Speaker, I had not intended to say one word about this matter. I appreciate the fact that the gentleman from Virginia has been so helpful in bringing this matter to a final disposition. But when the issue is put

solely on the basis which he mentions I think some refutation must be in order.

The real issue here is the image and authority of our new President around the world. Are we going to give Communist and free nations alike the impression that he does not have, in the performance of his responsibilities as the repository of American foreign policy, the complete confidence of the Congress and the American people? President Johnson succeeded to office by succession after a base assassination, and the question in all nations is, do the American people have a leader? Would the Congress want to convey the impression that we would want to tie the President's hands or to limit his authority when we did not do this to either of his predecessors, President Eisenhower or President Kennedy? Any such action would weaken the President's authority in dealing with other nations and in consequence would weaken the United States.

The issue never has been whether or not we are going to help the Communists. This Congress is united as always in its fight to strengthen the free world as against the Communist world.

The issue never has been the extension of credits to Communist nations. The Export-Import Bank is only going to extend credit in the usual way to private shippers who are selling non-strategic materials. We are helping Americans sell surplus American commodities to buyers of their own choice, and this is certainly in the national interest.

We cannot tie the hands of our new President in his first battle on foreign affairs. World reaction to this would be lasting and detrimental to the interests of all Americans and of all the people of the free world.

I would like to insert into the RECORD, under leave to extend my remarks, a paper which I received today from the Department of State. It outlines the thinking of administration officials on the central issues involved in the argument over authorization of Export-Import Bank guarantee credits. I believe it does much to clarify the issues.

1. We accept the conference report which requires a Presidential decision before any Export-Import Bank guarantee of payment could be made on transactions with the Soviet Union or Eastern European countries.

2. We do not know whether a wheat sale will be concluded by the Soviet traders and American wheat dealers. If agreement is reached, we do not know whether the Soviets will ask for a deferred payment rather than a cash transaction. If the issue does arise, the President would make a decision as to the national interest on the recommendation of the Secretaries of State, Defense, and Treasury.

3. On its wheat purchases from Canada the Soviet Union is paying cash and it may do so here. However, the Soviet Union will refuse to deal with the United States if it is the object of discrimination by law with respect to credit terms.

4. The wheat sale to the Soviet Union, if it materializes, will be in the national interest, bringing in needed gold and foreign exchange, reducing our expensive surpluses saving storage charges and interest for the U.S. taxpayer and benefiting farmers and traders.

5. Such sales are consistent with long-standing U.S. policy. The United States has

never had a policy of refusing to sell non-strategic goods to Soviet bloc countries. As a corollary of this policy, normal financing facilities should be available to U.S. exporters. Such facilities are available to American competitors abroad.

6. The extension of guarantees of payment on commodity sales and other export transactions is a normal Export-Import Bank function. Such guarantees are ordinarily used in connection with sales of commodities and other products to foreign countries where deferred payment terms are extended. The Export-Import Bank has had this authority since its creation in 1934, including authority to guarantee payment on commercial exports to Communist bloc countries.

7. Sales like the wheat sale will use up scarce Soviet and Communist bloc gold reserves on consumption expenditures so that they cannot be used for military purposes or investment in heavy industry.

8. The Soviet Union is in the process of making important decisions concerning the allocation of its resources and the handling of its quarrel with Communist China. Soviet officials will be watching carefully any moves by the U.S. Government to see whether, under the new President, the United States is going to change its policy of seeking to reduce the dangers of war and to strengthen peace. The Soviet Government will doubtless consider the proposed amendment to the aid bill as such a change.

9. The Soviet people would regard this action as an attempt to exploit their difficulties and as an indication of the implacable hostility of the American people. This would also be a blow to our efforts toward peace.

10. Americans should not be fooled into believing that by depriving the Russian people of better quality bread we are reducing the threat of communism. The present Russian regime will be able to survive even without our wheat, and it will be able to divert the blame for short bread rations in the Soviet Union to us.

11. This bill would affect not only the Soviet Union, but other Eastern European countries as well. Some of the Communist countries of Eastern Europe are showing signs of wanting to reduce their economic dependence on the Soviet Union. They would like to use their foreign exchange to purchase products of the free world. By trading with these countries on commercial terms and in nonstrategic items, we can encourage this growing tendency toward independence.

12. The Export-Import Bank guarantees do not provide aid to the Soviet Union. They afford financial facilities to United States exporters to enable them to engage in ordinary commercial competition with other Western exporters. Valiant and successful efforts have been made by the Export-Import Bank to place our exporters in a position of equality with their competitors abroad. It is essential that this position be maintained when it is in our own country's interest to do so.

13. The bill does not provide funds for Export-Import Bank loans or guarantees.

These are derived from Treasury borrowing authority under the Export-Import Bank Act of 1945. Thus, the rider in the aid appropriation bill is wholly inappropriate. It is unacceptable for the House to extort this elimination of longstanding Presidential discretion as a condition for achieving an aid appropriation.

14. The Senate has twice rejected the proposal after full hearings before the appropriate committee and after extensive debate.

15. The argument has unfortunately become highly partisan. If the sales now contemplated are made, all Americans will benefit, Democrats and Republicans alike. Partisanship is especially inappropriate where, as here, there has not been the fullest

exploration in the House of Representatives of the underlying United States national interest. The House Republican leadership is playing partisan politics with the national interest.

16. The rider affects not only wheat sales but all other potential commercial sales of agricultural or other products to the Soviet Union and Eastern Europe.

17. It is of utmost and urgent importance that the House accept the conference report, to which the President has agreed.

Mr. SMITH of Virginia. Mr. Speaker, I hope we may adopt this resolution unanimously and get through with this matter.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT

Mr. PASSMAN. Mr. Speaker, pursuant to the resolution just adopted, I call up the conference report on the bill (H.R. 9499) making appropriations for foreign aid and related agencies, for the fiscal year ending June 30, 1964, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 21, 1963.)

Mr. PASSMAN. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. Ford].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Speaker, at the outset, I would like to make a comment about an article which appeared in the Sunday morning papers to the effect that the opposition to the administration on this issue was headed by so-called midwestern isolationists. I have been here 15 years, and from the very outset I have supported the foreign aid program. There is ample evidence to that effect in the recorded votes every year in this Congress. I have supported the late President, John F. Kennedy, when the going was fairly tough, against my chairman, the gentleman from Louisiana [Mr. PASSMAN], and I supported former President Eisenhower and, as a relatively new Member, I supported Mr. Truman when this program was virtually started. So any comment to the effect that people who oppose it are "midwestern isolationists" is clearly inaccurate.

Now let us get down to the nub of the issue. The problem is whether or not we will authorize the Export-Import Bank, an agency of the Federal Government, to guarantee credit for Communist countries. Those Communist countries are those that would qualify under section 620(f) of the Foreign Assistance Act of 1961. Now, who are they? They are the Peoples Republic of Albania, the Peoples Republic of Bulgaria, the Peoples Republic of China, the Czechoslovakian

Socialist Republic, the German Democrat Republic—East Germany, Estonia, the Hungarian Peoples Republic, Latvia, Lithuania, the North Korean Peoples Republic, North Vietnam, Outer Mongolia-Mongolian Peoples Republic, the Polish Peoples Republic, the Rumanian Peoples Republic, Tibet, the Federal Peoples Republic of Yugoslavia, Cuba, and the Union of Soviet Socialist Republics. This is a total of 18 countries who would be authorized to receive credit from an agency of the Federal Government.

Let us get down to just how this might work. I am going to oversimplify it, but here is, to be frank, the guts of the issue. This is a typical banking transaction. I have borrowed money. I suspect there have been others in the House of Representatives who have likewise taken advantage of that opportunity to borrow money from one of the local Washington banks. What happens on such a transaction is similar, to a degree, to what will transpire on these deals with Communist countries.

As I understand the proposed transaction, there will be certain exporters in the United States who will buy grain from the Commodity Credit Corporation. They will buy grain on the basis that they have a commitment from the Soviet Union or from any one of the other 17 listed Communist countries who qualify under 620(f) of the Foreign Assistance Act of 1961. You will find on this note the name of the exporter. The person who signs the note will be the Soviet Union or any one of the 17 other Communist countries.

But then on the back of the note, when our credit—yours or mine—is not too good, you always have an endorser. That endorser, by placing his name on the back of the note, helps your credit. I have had that experience. I have used the Federal Government under the GI bill to buy a house. In fact, I am still paying on the mortgage. But I got a better rate of interest, did I not? I got 4 percent because the Federal Government guaranteed it.

Now, this is exactly why under this legislation the Soviet Union and 17 other countries can get a better rate of interest in paying for the grain they buy from an exporter who previously had bought it from the Commodity Credit Corporation. You will have the exporter's name as the payee, you will have the Soviet Union as the payor, and on the back, if this legislation goes through, you will have the Export-Import Bank of the U.S. Government. Now, I seriously question whether the taxpayers of this country want an agency of the Federal Government to be a guarantor for a loan to a Communist country. I just do not believe my constituents want me to authorize an amendment that will tell the Export-Import Bank, a bank which has been funded by their tax money, that they should guarantee a loan for 18 Communist-dominated countries.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. FORD. I certainly will.

Mr. GARY. Is it not true that this amendment, instead of authorizing the

bank to make these loans, prevents the bank from making the loans?

Mr. FORD. The gentleman is correct as far as the first five or six lines of the amendment are concerned. It does ban those loans to Communist-dominated countries. Those first five or six lines were the lines that were in the House bill under the amendment offered by the gentleman from Illinois [Mr. FINDLEY] and in the motion to recommit by the gentleman from Iowa [Mr. JENSEN]. However the conference, over my objection, have added four or five other lines. Those lines are the lines which would permit the President to make a determination that if in his judgment it is in the best interest of our country, then, on this note, 18 countries will be the beneficiaries of a guarantee by the U.S. taxpayers' banking agency of the Government.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has confined his remarks to wheat. Is it not true that the amendment deals with the sale of any product to the Communists?

Mr. FORD. Of course it does. It can deal with any product. The language of the amendment so provides.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. FINDLEY. Is it not also true that the President already has publicly made his determination on this issue? In a letter published in the CONGRESSIONAL RECORD last week he made it clear that he believes that these sales to Communist countries are in the public interest, are in the national interest. So the determination is already made and what we are voting on is squarely the issue whether we are going to help the Communists. We cannot cling to President Johnson's coattails on this issue. We cannot pass the buck to him. He has already said how he would act.

Mr. FORD. He has indicated in a tentative way that he would take such action.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. GRIFFIN. Mr. Speaker, I wish to commend my colleague from Michigan for putting this issue in proper focus. It seems clear to me that to extend credit and guarantee loans is to extend aid. It is inconceivable to me that within the four corners of one bill we could request our taxpayers, our constituents, to finance both sides of the cold war. It seems to me that we ought to get on one side or the other. Therefore, I commend my colleague, and I urge that we insist on the House position in this regard.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. FINDLEY. Mr. Speaker, I appreciate very much the comments about the charge that this was an effort by the isolationist Midwest to take over the policy of the Nation. As a member of the Committee on NATO Unity, a committee of which the gentleman in the well is also

a member, I think I can state with some pride that the Republican side of this House has taken strong initiative in behalf of the international institutions to strengthen the free world. The only thing we are trying to isolate is Communists from the American tax dollars.

The SPEAKER. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. PASSMAN. Mr. Speaker, I yield an additional 3½ minutes to the gentleman.

Mr. FORD. Mr. Speaker, as I indicated, under section 620(f) of the Foreign Assistance Act of 1961 there are 18 countries that qualify or would qualify for credit under this provision if you adopt it. I have 18 blank notes in my hand.

There is a possibility that the Soviet Union would have an Export-Import Bank endorsement on the back of its note. Cuba also qualifies under this section of the authorization act.

There is a possibility that they would have the Export-Import Bank endorsement. Also, the Rumanian People's Republic could qualify for a note. The Outer Mongolian People's Republic could qualify, North Vietnam could qualify, the Hungarian People's Republic could qualify, and you can go right down the list, 18 in all.

Mr. Speaker, as for myself, I do not intend to support an amendment that would permit the Export-Import Bank to endorse and guarantee such loans where the beneficiary will be a Communist country, in the form of lower interest rates.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. This in no way prohibits the sale of wheat to any country, does it?

Mr. FORD. It does not.

Mr. ANDREWS of North Dakota. If the gentleman will yield further, it only prohibits the giving of our credit to Communist and pro-Communist countries.

Mr. FORD. Any one of these countries, if the administration wants to make a deal, can pay cash on the barrel-head and the sale can be made.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. BROOMFIELD. Mr. Speaker, I too would like to join in commending our distinguished colleague, the gentleman from Michigan [Mr. FORD] for his excellent statement this morning.

Mr. Speaker, do we want the Export-Import Bank, financed by our Federal funds, to insure payment by the Soviet Union of any surplus wheat it purchases in the United States?

That, in essence, is the choice we have before us today in this amendment.

There are a number of reasons why I oppose this amendment and why I will vote against it. Strangely enough, most of the reasons for my position were presented by the majority in its arguments in favor of this amendment.

The first was the statement that the President might not need to ever invoke the provisions of this bill. If this amendment is not considered absolutely necessary, if it is not an integral part of the agreement for the sale of surplus grain to the Soviet Union, then what are we doing here?

I, for one, cannot buy this argument that the right of the President to determine foreign policy and to implement such policy is on the line with this amendment.

This issue is primarily a question of foreign trade, clearly under the Constitution a jurisdiction of this Congress. Its foreign policy impact is secondary.

The Congress is being asked to give away another portion of its power and to turn over this power to the executive branch, a path we have followed on far too many occasions in the past.

If there were good and sufficient reasons why this amendment should be made law, if they were presented to Congress, then, in an emergency situation, the Congress might see fit to grant such discretionary powers for a limited period of time.

But, as far as I have been able to determine from the debate on these issues over the past few days, there is no such real emergency, although there appear to be attempts to manufacture one.

Further, there is no time limit on this discretionary power. It would remain a permanent additional power of the executive branch.

Next, there is nothing in the wording of the amendment we are considering which would limit these additional powers simply to this one deal with Russia for surplus grain.

It could be used in similar deals with Red China or Albania, or any other Communist bloc country, and they need not be limited to wheat.

The second argument is that, through some peculiar alchemy known only to Madison Avenue public relations experts, the President will suffer a loss in something called prestige if this amendment is defeated.

I do not think so. The President is far too capable, far too efficient a man to suffer a loss of stature because of this one vote on an amendment to a foreign aid appropriation bill.

His integrity and his position of respect in the eyes of the American people and the world are too high to be threatened, much less damaged, by what happens here today on this amendment.

However, I have my doubts about the amount of respect the Congress will be able to command if it slices off another large hunk of its responsibility and hands it over to the executive branch with the comment: "Here, this is too hot for me to handle."

We have done little enough these past 11½ months which could be called constructive. A great many of us here in the House realize that. Let us not end this seemingly endless session by throwing away another piece of our duty.

As I understand from the debate, a tentative deal has been made with the Russians for a downpayment of one-fourth, and the payment of an additional

one-fourth every 6 months until the balance is paid.

My question is: Why?

Has the Soviet Union pleaded poverty? Has the Government of the U.S.S.R. stated that it does not have the money to pay for its purchases and needs credit terms? If so, that fact most certainly has not been brought out in the thousands of words which have been spoken and written on this topic during the past few weeks.

In fact, we have every reason to believe that the Soviet Union has the means to pay cash on the barrelhead for our wheat if its government so desires.

Before we start guaranteeing the loans of those who have vowed to bury us, either literally or figuratively depending upon your interpretation of Premier Khrushchev's words, we ought to take a look at what sort of credit risk is offered.

I am afraid the record is rather dismal. The Soviet has not paid us for World War I debts, much less World War II debts, and only partial payment has been made for those goods received after V-J Day.

As many of my colleagues know, I have been a constant supporter of a sound, firm foreign policy. I have been an advocate of an efficient, economical foreign aid program.

Because I believe in both of these, I cannot vote for this amendment. It would be a divorce by Congress of its constitutional responsibility and another example where dollars might be substituted for brains in carrying out those actions necessary to the security of the United States.

(Mr. BROOMFIELD asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. QUIE. I think it should be pointed out that the Russians deal with private exporters in this country. That is the way we do business in this country. If there is wheat for sale, Cuba can buy it in that way. We do not have government-to-government transactions. In order to prohibit it, we should also be opposed to the granting of credit. We look at this as aid to the Russians, but in this country you have to deal with private exporters and not the Government.

Mr. Speaker, I endorse the statement of the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to my colleague from Michigan.

Mr. CEDERBERG. Mr. Speaker, I want to commend my colleague from Michigan for the stand which he has taken on this issue. I want the RECORD to show that on this day before Christmas that I as one Member of Congress do not intend to participate in any Christmas present to Mr. Khrushchev.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New Jersey.

Mr. WIDNALL. It has been said by some that this is only normal relations between the countries. Would this be the first time in history that our Government has given a credit guarantee to a Communist country?

Mr. FORD. I am not certain about that, but I am certain of this: We have never granted credit to a debtor who owed the United States almost \$11 billion.

Mr. PASSMAN. Mr. Speaker, I yield 3½ minutes to the gentleman from West Virginia [Mr. STAGGERS].

(Mr. STAGGERS asked and was given permission to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, there are two sides to every question. We have heard one side so far this morning that we are either voting for communism or against communism. The United States today is committed to other countries around this world. We are voting more than \$50 billion yearly, to wage the cold war. Our boys are stationed at bases ranging from Germany down into India, and South Korea and in South Vietnam. Some of our boys are being killed. We are waging a total war. The Communists have said they would bury us, and we as a Nation and a people are committed to the destruction and obliteration of the Communist ideology.

Now, this question in my opinion boils down to this: We are either going to trust the Commander in Chief of the greatest and the best equipped military force in the world to wage total war against communism, or we are not going to trust him. I am against communism and every American in this House is against it. Anyone who suggests that is not true and impugns the motives of any man on either side of the aisle is not speaking the truth. That is just how plain it is, because communism is repulsive, it is repugnant, it is revolting to any freethinking American citizen, or any free citizen around the world.

Now, Mr. Speaker, what we are doing is this: We will be saying to the world we do not trust the President of the United States to do his sworn duty. We are hitting at him. Why do we not question and attack some of his larger responsibilities? He is the Commander in Chief of the greatest army in the world. He has the power to push the button to determine life or death for civilization. Why do we not say: We do not trust you in anything?

The amendment says he cannot extend this credit unless it is in the national interest. Then, we say: "No, we are not going to let him determine what is the national interest." But we say we do not trust him. This amendment is simple. The way it is written it says he cannot extend credit unless it is in the national interest.

Mr. Speaker, I say any man who votes against the compromise conference report is not voting to uphold the arm of the President of the United States to wage all-out total war against communism.

President Johnson, on the day after Pearl Harbor, left this body and enlisted

in the Armed Forces of the United States. How many other Members of Congress did that? How many today, if we went to war, would enlist? But he did just that. Yet there are others who get up and say we do not impugn his motives, we just do not trust him.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Will the gentleman explain to me how you wage total war against communism by giving them aid?

Mr. STAGGERS. That is your theory. That is what you say, not me. You are just evading the issue. This amendment says he cannot extend credit—unless it is in the national interest.

Mr. CEDERBERG. If the gentleman will yield further, How is it in the national interest to give your potential enemy credit?

Mr. STAGGERS. You are still evading the issue, I am against helping the Communist cause in any and every way. They are dedicated to the overthrow of our Government and we are just as dedicated to the destruction of the Communist ideology.

This is a war being waged on social, economic, and religious fronts while the instruments of death stand waiting or are being used infrequently. In fact at this stage it is a battle for the minds of men.

Mr. CEDERBERG. I thought World War II was also a battle of the minds.

Mr. STAGGERS. Yes, World War II was a battle of the minds, but it also was a war waged with the most destructive weapons known to man. Millions lost their lives.

Mr. CEDERBERG. You explain the theory.

Mr. STAGGERS. I cannot explain the theory of communism. I do know it is anti-God and against everything you and I stand for. This war will be engaged to the bitter end. The United States and her allies will win, if we stay prepared physically, mentally, and morally for we are religious people. Almighty God will be on our side as long as we stay prepared and do right—in His eyes.

Mr. PASSMAN. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. ROOSEVELT].

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Speaker, the distinguished gentleman from Michigan deserves a factual reply.

It is a fact that this amendment establishes no precedent. Under President Eisenhower nonmilitary loans were made to Communist countries, including Poland, because it was felt they were in the national interest. It obviously was not then and is not now in the national interest to establish a policy of never having anything to do with a Communist country. The nuclear test ban treaty amply proves this point.

It is a fact that our national policy is to reduce, if possible, cold war tensions, and prove to nonaligned countries the

sincerity of our humanitarian principles. This is doubly important now that there is a rift within the Communist camp. The President, not the Congress, must have the tools to use every opportunity to help our interest. This amendment tells the President that the Congress believes wheat and other commodity sales should not be aided or permitted unless he finds and reports that our interest will be advanced. This responsibility constitutionally, historically, and rightly belongs to the President. And that is all this amendment does.

It is a fact that the gentleman from Michigan admits that the guarantees permitted by the amendment through the Export-Import Bank are financially sound. The private American businessman or exporter takes the primary risk and if there should be nonpayment it is primarily the private American who would get hurt. The Export-Import Bank only gives him some insurance. This does not advance him, any country, or anybody else one red American cent. And the Export-Import Bank collects, properly, a premium for their insurance policy. All of our allies, England, France, Germany, Japan, Canada, Australia all do just this today. Do they want to advance or help communism? Of course not. They think in the long run this shows and proves the failure of communism to the world and to its own people and forces Communists to help the capitalists make a profit. We would be a little daft to let our Republican friends, for the sake of politics, lead us up such a blind alley.

Lastly, it is a fact that the Russians do owe us billions on World War II aid. So does England and others. But Russia has not defaulted on any commercial obligations and won't because she cannot afford to. This is a commercial not a Government transaction.

Mr. Speaker, this amendment should be adopted if our United States is not made to look foolish to the outside world. The only persons who get a Christmas present from our action today are the American people. They deserve a Merry Christmas. May we help them and ourselves to have it.

Mr. PASSMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Speaker, I do not agree with the anonymous spokesmen referred to earlier today who say that this is some sort of a plot by Midwest isolationists to make our American foreign policy. I believe that the difference in this issue is an honest disagreement among honest men. I think we have a fundamental difference in views on this matter and it is unfair to assail those who disagree with us. One understands it one way, another understands it another way. This divergence is the essence of our democracy. But to suggest that anybody who votes for this amendment, or votes to sustain the conference, is voting for communism is equally wrong.

I do not trust the Communists any more than I could throw this building. However, I also believe the Export-Im-

port Bank does not trust them any more than I do.

My colleague knows that before the Export-Import Bank could guarantee any credit on loans for sale of wheat to Russia, it must first get a premium from the American grain dealer who wants to sell this wheat. Then, Mr. Speaker, and this is the key we must consider in making a final judgment, before the Export-Import Bank can guarantee one penny of credit to anyone, it must first obtain collateral redeemable in gold from the nation which would benefit from the credit. Therefore, those who say we are using taxpayers' money to feed the Communists are making strangers of the truth. The Export-Import Bank follows normal practices of international business relationships established as early as 1934. There is not an iota of evidence before this Congress that the Soviet Union has indicated it wants any credit. Our late President Kennedy said this is going to be a cash-on-the-barrel deal. As far as we know, the Soviet Union is paying cash to Canada today. It is paying cash simply because it does not want to pay the additional 5 percent premium which it would have to pay if it bought this wheat on any kind of credit from American grain dealers. We have no reason to believe that the Soviet Union, if this wheat deal is consummated between this country and the Soviet Union, is going to pay anything but cash on delivery either in dollars or gold. The Soviet Union apparently has sufficient gold to back up these cash payments.

We have been following this procedure in international commerce since 1934.

We have given the Export-Import Bank this authority. This is nothing more than a guarantee to American grain dealers, who are a segment of our free enterprise, private enterprise, that get into the stream of private international commerce instead of foreign aid. This program has been established for many years. It was conducted under previous administrations. The Export-Import Bank is one of the most conservative institutions in the world. As a matter of fact, the directors of that Bank are good, solid Republicans. I doubt very much whether this Export-Import Bank would guarantee or underwrite any kind of credit unless they knew very well that every single penny will be paid back, because that is the record of the Export-Import Bank.

So for anyone here today to suggest that we are using taxpayers money to feed the Communists is an assault on the truth. There just is no substance to a charge like that. What we are doing here is helping American businessmen, by underwriting their credit, get into the stream of international commerce. This whole Export-Import Bank was created to encourage Americans to seek foreign business without jeopardizing their investment in foreign nations.

Let us take an example. This sale of wheat to Russia will be a cash-on-the-barrel deal, but there may be 30 or 60 days involved in the payment of the money to the American grain dealer. Such a delay in payment is a normal de-

lay in all transactions. Incidentally, I want you to remember that this amendment cuts across the board. This is not just a matter involving the wheat sale to Russia. This will affect the economy of the agricultural community of our Nation across the board. I think you gentlemen from the rural areas ought to think about this, too.

Let us assume an American businessman enters into a deal to sell wheat to the Soviet Union on a cash-and-carry basis. It is going to take 60 days or more to consummate that transaction. He needs money to purchase the wheat from American farmers of the Commodity Credit Corporation for resale to the Soviet Union. He goes to the Export-Import Bank and gets a guarantee on his contract with the Soviet Union for 60 days, and he must pay a premium for the guarantee. He does not get it for nothing. With the guarantee from the Export-Import Bank, he can borrow from his own bank to purchase the wheat for resale to Russia. The Export-Import Bank has been a model institution. It has operated at a profit, and as far as I know it has not lost a penny. So for anyone here to argue that we are underwriting or subsidizing or using American taxpayers' money to feed the Communists is just torturing the truth.

Mr. Speaker, my record here in Congress of fighting communism is crystal clear; I need never apologize for my contributions to expose the full ugliness of communism. But I would not be fair with myself and my constituents if I failed to point out there are many ways to fight communism. One way is to sell them our surplus wheat which is rotting in our bins. I said previously, every grain of wheat we send to Russia carries with it a message of the total failure of Communist despotism and the ultimate triumph of American capitalism. How does Mr. Khrushchev explain to his people that Russia must send millions of dollars worth of its gold to America to buy our surplus stocks of wheat?

Furthermore, Mr. Speaker, I hope the amendment will be adopted because in its present form, we clearly state we are opposed to any credit to the Soviets unless and until the President informs Congress such sales are in the public interest. I, for one, have sufficient trust in my President to let him make that final determination.

Mr. PASSMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

PARLIAMENTARY INQUIRY

Mr. RHODES of Arizona. Mr. Speaker, I would first like to propound a parliamentary inquiry, if I may.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. RHODES of Arizona. Mr. Speaker, it is my understanding that the first vote which will occur will be on the conference report.

The SPEAKER. That is correct.

Mr. RHODES of Arizona. And

amendment No. 20 which is the so-called wheat amendment is not part of the conference report?

The SPEAKER. That is correct. That will be considered by the House separately.

Mr. RHODES of Arizona. If I may inquire further, Mr. Speaker, amendment No. 20 will be brought up in disagreement and on proper motion by the gentleman from Louisiana, a separate vote will occur at that time on amendment No. 20.

The SPEAKER. The Chair understands that a motion will be made with respect to that amendment which is in disagreement.

Mr. RHODES of Arizona. I thank the Speaker.

Mr. Speaker, I have to disagree with my friend, the gentleman from Illinois. After all, if we guarantee payment of a loan, there is a presupposition that perhaps somebody will not pay the loan and if the loan is not paid, then the guarantee will be made good. And who will make it good? The American taxpayer will make it good. There is not any doubt about that. This is a contingent liability. We hope it will not become necessary for the taxpayers to pick it up, but the mere fact that there is so much agitation for this type of legislation, it certainly indicates at least that the commercial bankers of this country would not have made this loan, if they did not feel the guarantee was necessary. These are prudent people. They certainly would not be asking for the guarantee if they did not feel they needed it. So do not let anybody have any doubt in their minds but what possibly this will be a real liability which will be brought up and which will be collected from the American taxpayers.

It has not been said either that the wheat which will be sold to the Communist nations—credit given—guaranteed by the Export-Import Bank—will be sold for less than the American Government paid for it.

I have heard this deal called several things. I have heard it called bushels for Bolsheviks and I imagine there will be some other names attached to it from time to time. But let me say this. I think the gentleman from Virginia was absolutely right when he said that this issue is really an issue whether or not we think it is a good thing for the United States of America to make this kind of a sale.

Now we have heard the charge of partisanship made. You know, to me there is a difference between partisanship and honest conviction. I would agree with the gentleman from Illinois [Mr. PUCINSKI]; I think there are very definite honest convictions on both sides of this aisle. I certainly defy anyone to say that when the Republican side voted—all but three votes—for their position the other night that this was partisanship. You do not get that kind of consensus from partisanship. You get it from conviction. And the people on this side of the aisle are convinced that this is not a good thing for the country.

Mr. Speaker, I am sorry that the majority leader saw fit to try to define

the standards under which Lyndon Johnson will be declared to be either a strong President or a weak President. In my opinion, whatever he may be called by history will be decided by what he does, and not by what the House of Representatives does. In my opinion, he has the capacity to be a strong President and he will be a strong President, but he does not get to be a strong President because the legislative body rolls over and plays dead for him. He does not get to be a strong President because the legislative branch votes against its own convictions and refuses to stand up to tell him that in this instance we think he is wrong. This is all that we are trying to do, and so help me if I thought that my vote today would blacken the escutcheon of Lyndon Johnson as a strong President of the United States, then I would not vote the way I am going to vote. I do not believe it—I think he is a much stronger man, perhaps, than those who have set what I think is a false standard for presidential strength.

Mr. MEADER. Mr. Speaker, I like what the gentleman has just said. It is in line with what the gentleman from Texas said. There are those who seek to make disagreement the equivalent of distrust. If we must agree with everything that the President says or else be disloyal or weaken our country, I think that is a very dangerous doctrine.

Mr. RHODES of Arizona. I agree with the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman mentioned the President. Does the gentleman have any knowledge as to whether President Johnson, having cracked his whip over the House, is going to stay in Washington until final action has been taken on this bill by the Senate?

Mr. RHODES of Arizona. I have no such knowledge.

The SPEAKER. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I do not desire to delay the vote that I know we are all eagerly waiting for, but I do think something should be said to put this discussion into a slightly different perspective. It is true that we are waging a cold war against communism, and this bill is a major weapon of that war. But on the eve of the birthday of the Prince of Peace, it does seem to me we ought also to remember that both President Kennedy and President Eisenhower before him were making a very valiant effort to try to ease this cold war and to restore a condition of more stable peace in this world.

President Kennedy as part of that effort, got through the nuclear test ban treaty by an overwhelming vote in the other body. And some weeks before his tragic assassination President Kennedy also decided that this wheat transaction we are discussing here today might be another major weapon in trying to bring

about eased relations in this long-standing cold war. President Johnson has now made the very same determination. It does seem to me, Mr. Speaker, that what we are being asked to vote on here this morning is simply whether we, on Christmas Eve, also support the view that this country ought to make an earnest effort to ease the cold war and to restore real peace.

I think when we vote on this measure in a few minutes we ought to keep in mind the eloquent words of President Johnson as he addressed us yesterday informally at the White House when, despite the bitterness of the past few days, he invited every one of us down there and reminded us, each one, that after all our basic and overriding duty in these difficult days is still to promote "peace on earth, good will among men."

Mr. FULTON of Pennsylvania. Mr. Speaker, on questions of foreign policy of major significance it is impossible to determine foreign policy on the floor of the House of Representatives. The President of the United States, under the U.S. Constitution, has rightly affirmed this strategic and security power. I respect the Office of the President of the United States and believe that we should give full faith and credit to President Lyndon Johnson at this time in our history. We Members of Congress must rise above partisanship and the next election for the good of our country, and the standing of our Nation among the nations of the world.

This Nation of ours in foreign affairs must, when the decisions are made, speak with one voice, and that voice at this time is the voice of the new President of the United States, our friend who formerly served with us in the House of Representatives and in the Senate, the competent Lyndon Johnson.

It is unthinkable that the President of the United States should adopt one foreign policy among the major power nations, and the U.S. House of Representatives by a disputed vote, should adopt another and different policy antagonistic and in opposition to the President. We must agree among ourselves as to the method of implementing policies, but the determination of the policy itself must be left to the President of the United States, often with necessary instructions or recommendations from the Congress of the United States as to their views on the exercise of the fundamental powers. But the power itself must and should be exercised by the President in his judgment and discretion, based upon the broad background and necessary information to which the House of Representatives has neither access nor opportunity for evaluation.

We, in Congress, must choose somebody to trust and I place my trust on this currently hotly disputed question of foreign policy as to the sale of U.S. surplus wheat and grains to foreign countries upon a strategic basis, a business basis, and a basis of existence itself of U.S. farmers through sale of surplus agricultural products that now depress our markets at home and cost millions of dollars a year to store.

I, therefore, have placed my full faith and confidence in the decision of the President of the United States, Lyndon Johnson, with the policy stated by Congress that he make the decision when he finds in his judgment this to be in the best interests of the United States.

Mrs. DWYER. Mr. Speaker, we are in great danger today of losing sight of the issue which has deadlocked the Congress. Politics, emotion, frustration, the imminence of Christmas, personal misunderstandings, even the weather, have all conspired to introduce a host of irrelevant considerations which have obscured the limited and well-defined issue before us. Members of both parties must share the responsibility for the impasse and for the destructive heat which the impasse has generated.

The issue, as I see it, is this: Should Congress, which created the Export-Import Bank for specific public policy purposes, now consent to the use of this device to facilitate other purposes, that is, the sale of wheat to the Soviet Union, which have never been considered part of the Bank's responsibility?

The issue is not whether the Government shall permit the commercial sale of wheat to Soviet Russia. Whether we agree with the decision or not, this issue has already been settled by the President acting under the authority of his office.

The issue is not isolationism or the fate of the foreign aid appropriation bill. Despite serious questions about certain aspects of our foreign-aid program, Congress has once again approved the program, and conferees from the House and Senate have agreed on the amount of money needed to finance the program during the current fiscal year.

The issue is not obstructionism or an attempt to tie the President's hands in the conduct of American foreign policy. The Export-Import Bank is a creature of the Congress. Congress has endowed it with its authority, defined its purposes, and provided it with the funds necessary to accomplish those purposes. Congress, therefore, has every right to clarify the Bank's authority or to supplement the definition of its purposes in the face of changing circumstances.

In the statement of purposes, approved by the President and Chairman of the Export-Import Bank, which appears in the current issue of the U.S. Government Organization Manual, congressional policy is clearly indicated to be the controlling factor in the Bank's operations. The President has no authority to set the policy of the Export-Import Bank as he does, for example, that of the State Department. The two agencies occupy significantly different positions with respect to the President's general authority to conduct the foreign relations of the United States.

In carrying out its responsibility to establish policy governing the Export-Import Bank, Congress is very much aware, and properly so, of several important factors bearing on the issue of guaranteeing the credit of Soviet Russia.

First. The Soviet Union and other Communist bloc countries are engaged

in massive economic competition with the United States and its free world allies. Under his own definition of peaceful co-existence, Premier Khrushchev has publicly committed his nation to this competition between economic systems. We have welcomed this competition—as a safer form of conflict than the arms race, as a way of reducing the kind of tensions that could lead to nuclear war, and as a means of demonstrating the superiority of our own economic system. We mean to win this competition, or at least to stay ahead.

Second. The Soviet Union has no credit standing in the United States. Commercial bankers do not consider the Soviet Government a reasonable risk nor, on the record, can our own Government accept their credit as good. According to the State Department, the Soviet Union has continued to refuse to even to negotiate the question of the debt it owes the United States—a debt we have several times reduced in a spirit of compromise, a debt incurred not for materials used to fight World War II but for articles and equipment used by Soviet Russia after the war for peacetime purposes.

Third. The authority of the Export-Import Bank has been increased and broadened by Congress to enable it to play a major role in our postwar policy of expanding international trade among free world countries so as to strengthen the economies of those countries, as well as our own, and enable the free world cooperatively to resist the economic pressures of Communist governments and to extend the influence of freedom throughout the uncommitted world.

Each of these three factors, Mr. Speaker, militates strongly against the use of Export-Import Bank facilities to guarantee American exporters against possible Soviet default in paying for the wheat it presumably wishes to purchase. Under existing congressional policy—which has assigned an important role to the Bank in the East-West economic struggle and which requires the Bank to limit its assistance to acceptable risks—there is no justification for bringing the Bank into this Soviet wheat deal. Conversely, there is every justification for Congress to spell out once again its policy in this regard in unmistakable terms—the more so since on a number of occasions the administration has chosen to interpret related congressional declarations as not binding. There would be no question about the binding character of the provision now in dispute in the foreign aid appropriation bill.

Those of us who wish to impose this policy restriction on the Export-Import Bank are seeking to accomplish this objective in a completely valid way. The present bill is the logical vehicle—because it is the only one that could be effective—to carry this prohibition. The means we are using are entirely consistent with the rules and procedures of the House. We are not blocking foreign aid, since the program is already being financed through the end of next month under a continuing resolution appropriating the necessary funds. We are not

getting tough with Russia since we are simply denying our opponents in this economic competition a special advantage we have hitherto always reserved for our friends. We are not interfering with the President's constitutional prerogatives—unless it has become unconstitutional for Congress to differ with the President on a matter of policy—since Export-Import Bank policy is and always has been a question for Congress to decide.

So long as a majority of the Members of the House agree with this position, Mr. Speaker, then we have no alternative but to abide by our convictions. They are bipartisan convictions, shared by Democrats and Republicans alike, in and out of Congress, and in my judgment these convictions are in complete harmony with the national interest which we are sworn to uphold and defend.

Mr. GALLAGHER. Mr. Speaker, today's action on the foreign aid appropriations bill clears the way for us to get on with the vital work of foreign aid. The amount finally appropriated is, I believe, disappointingly small in relation to the magnitude of the task and the needs of U.S. foreign policy.

I have long stated—and fought for—my belief in the importance of an adequate foreign aid program. Clearly foreign aid is not perfect—but equally clear is the fact that foreign aid is the best instrument we have to serve our foreign policy needs in the underdeveloped world—and to live up to the humanitarian principles that have made America great.

Foreign aid's bitterest critics have been unable to offer any sensible alternative to this program. Mr. Speaker, there is none. I trust that in the coming session of Congress, we will give careful consideration to, and provide adequate resources for, a sound foreign aid effort.

Mr. Speaker, in recent days we have been absorbed in arduous, acrimonious debate on the sale of wheat to the Soviet Union and satellites. I would like to set out the background and facts concerning the sale, since they may not be clear from the rhetoric of the past few days.

The Soviet Union and various Eastern European countries have expressed a willingness to buy from our private grain dealers at the regular world price several million tons of surplus American wheat or wheat flour for shipment during the next several months. They may also wish to purchase from us surplus feed grains and other agricultural commodities.

After consultation in the National Security Council, the administration informed appropriate leaders of the Congress, and concluded that such sales by private dealers for American dollars or gold, either cash on delivery or normal commercial terms, should not be prohibited by the Government. The Commodity Credit Corporation in the Department of Agriculture will sell to our private grain traders the amount necessary to replace the grain used to fulfill these requirements, and the Department of Commerce will grant export

licenses for their delivery to and use in the Soviet Union and Eastern Europe only.

An added feature is the provision that the wheat we sell to the Soviet Union will be carried in available American ships, supplemented by ships of other countries as required. Arrangements will also be made by the Department of Commerce to prevent any single American dealer from receiving an excessive share of these sales.

Basically, the Soviet Union will be treated like any other cash customer in the world market who is willing and able to strike a bargain with private American merchants. While this wheat, like all wheat sold abroad, will be sold at the world price, which is the only way it could be sold, there is in such transactions no subsidy to the foreign purchaser; only a savings to the American taxpayer on wheat the Government has already purchased and stored at the higher domestic price which is maintained to assist our farmers.

Today's action by the House in accepting conference agreement on the foreign aid bill will permit American grain dealers to bid successfully with grain suppliers of other free world nations for this business. It is clear that if our dealers are to obtain this business, they must be competitive and one of the most important competition factors involves terms of financing.

It should be noted in this connection that the Soviet Union and its wheat have generally received from Canada, for example, terms which provide for cash payment of 25 percent prior to shipment of commodities, with the balance payable in equal semiannual installments over an 18-month period. These are now the customary commercial terms for sales of wheat to bloc countries.

Eighteen-month terms are sound and justified. In sales to non-Communist countries, we have offered Government credit of up to 3 years on tobacco, cotton and feed grains, and up to 2 years on wheat. American grain dealers will probably find it necessary to offer reasonably equivalent commercial credit in order to compete successfully for the Soviet trade. However, it is clear that U.S. commercial banks are not prepared by themselves to grant commercial credits to the bloc for agricultural commodities in the quantity and time required. Therefore, if advantageous U.S. sales to the bloc are to be made, with the consequent boon to our balance of payments, our financial institutions will probably need assistance from our own export credit institution, the Export-Import Bank of Washington. The Export-Import Bank could guarantee commercial credits extended to cover purchase of American grain by the Soviet bloc. Credit would probably carry an interest rate of 5 percent per year with a small part going to the Export-Import Bank as a fee. In terms of the risk involved, two points should be made:

First. Soviet Union has consistently met all commercial credit obligations it has undertaken fully and promptly.

Second. The loss record of the Export-Import Bank is extraordinarily good.

Therefore, Mr. Speaker, I am pleased that the House has retained for the President the necessary flexibility to successfully conclude the wheat sale.

This transaction has obvious benefit for the United States. The sale of 4 million metric tons of wheat, for example, for an estimated \$250 million, and additional sums from the use of American shipping, will benefit our balance of payments and gold reserves by that amount and substantially strengthen the economic outlook for those employed in producing, transporting, handling, and loading farm products.

Wheat, moreover, is our No. 1 farm surplus today, to the extent of about 1 billion unsold bushels. The sale of around 150 million bushels of wheat would be worth over \$200 million to the American taxpayer in reduced budget expenditures. Our country has always responded to requests for food from governments of people who needed it, so long as we were certain that the people would actually get it and know where it came from.

The Russian people will know they are receiving American wheat. The United States has never had a policy against selling consumer goods, including agricultural commodities, to the Soviet Union and Eastern Europe. On the contrary, we have been doing exactly that for a number of years, and to the extent that their limited supplies of gold, dollars, and foreign exchange must be used for food, they cannot be used to purchase military or other equipment.

Our allies have long been engaged in extensive sales of wheat and other farm products to the Communist bloc, and in fact, it would be foolish to halt the sales of wheat when other countries can buy wheat from us today and then sell this flour to the Communists. Recently, Australia and NATO Allies have agreed to sell 10 to 15 million tons of wheat and wheat flour to the Communist bloc.

This transaction advertises to the world as nothing else could the success of free American agriculture. It demonstrates our willingness to relieve food shortages, to reduce tensions, and to improve relations with all countries, and it shows that peaceful agreements with the United States which serve the interests of both sides are a far more worthwhile course than a course of isolation and hostility.

For this Government to tell our grain traders that they cannot accept these offers, on the other hand, would accomplish little or nothing. The Soviets would continue to buy wheat and flour elsewhere, including wheat flour, from those nations which buy our wheat. Moreover, having for many years sold them farm products which are not in surplus, it would make no sense to refuse to sell those products on which we must otherwise pay the cost of storage. In short, this particular decision with respect to sales to the Soviet Union, which is not inconsistent with many smaller transactions over a long period of time, does not represent a new Soviet-Ameri-

can trade policy. That must await the settlement of many matters. But it does represent one more hopeful sign that a more peaceful world is both possible and beneficial to us all.

Mr. ANDERSON. Mr. Speaker, I would not wish the record of this session to be written without expressing once again, as I did on yesterday, my profound distress at the course on which the Johnson administration has so determinedly embarked. I repeat what I said then. It is incredible that only 14 months after Khrushchev brought the world to the brink of war we want to aid him in solving the problems of his failing economy—to resuscitate him so that he can renew his assault on us at a more convenient hour.

No one during all the debate on this issue has been able to even come close to demonstrating how guaranteeing credit to the Soviet Union by an instrumentality of the U.S. Government is in the interest of the American people. It is the height of folly to pretend that a \$300 million loan to the U.S.S.R. when piled on top of billions in defaulted obligations dating back as far as the old czarist regime can strengthen our own country economically, politically, or militarily.

Mr. Speaker, the Republican Party has been accused of partisanship in taking the negative side of this issue. Yet it is the Democratic leadership in this House with its specious and empty arguments that “we must in any event uphold the wishes of the President” would have made this a matter of party loyalty rather than principle as it should be. We do not live under a monarchy. The cry of former ages that “the king can do no wrong” is no part of our vocabulary. President Johnson deserves our wholehearted support when he is right; when he is wrong we owe a higher loyalty to our own conscience and the will of the people who sent us to sit here in the Halls of Congress.

Mr. Speaker, the Government of West Germany of which mention has been made during this debate does not guarantee the commercial loans that are attendant upon transactions between West German businessmen and the Soviet Government. Neither does the Government of France. Why then should the proponents of this wheat deal with Russia seek to cite either of these countries as examples for us to follow?

Mr. Speaker, the President of the United States and the Democratic majority in this Congress apparently will succeed on this Christmas Eve in their efforts to dispatch a Christmas present to Chairman Khrushchev or as one member has said: “a credit card for the Kremlin.” I think this gift will come back to haunt them because out of some misbegotten desire to assert presidential authority in the field of foreign affairs they are making a deal that is bad for the American people. Oh they are not doing this out of any conscious desire to aid and abet communism as such. However, I think that historians of the future will wonder at their naivete and their inability to apprehend the constancy of our foe. The record of Soviet

treachery and perfidy and callous disregard of past promises is there for all to see. The philosopher put it very well indeed in these words:

Those who fail to learn the lessons that history teaches are condemned to relieve them.

I hope that this administration still young in office may yet see fit to ponder that admonition and alter the course that it presently seems determined to pursue because it has become obsessed with prestige and lost sight of principle.

Mr. DON H. CLAUSEN. Mr. Speaker, may I congratulate the Members of this honorable body for recognizing the importance of the foreign aid bill and their concern over trade with Communist countries. Many Congressmen remained in Washington and others returned for a Christmas Eve debate on these questions. I think it is a fine commentary on their devotion to duty.

With the indulgence of the House, Mr. Speaker, may I say at the outset that the decision we make here today is most crucial to the future of the world. We are in a major conflict between Christianity and godlessness. I pointed this out recently in San Jose, Costa Rica, at a recent prayer breakfast of the International Christian Leadership Conference honoring the President of Costa Rica. If we lose, the world would go through another “Dark Ages” of conflict and suspicion, without faith or brotherhood. If we win, Christian faith, charity and the Golden Rule will prevail. We must not lose this conflict.

The question before us now is whether we should use every tool at our disposal to win. Should we use the great economic strength we have built under Christian democracy to force the failure of godless communism and win a bloodless victory? Or should we give away or bargain away our economic advantage, which shows the success of our system, for the benefit of the Communists, whose economic plight shows the failure of their system?

To give away our economic advantage, Mr. Speaker, is to dispose of the strongest weapons we have to win a bloodless victory. And what would it leave? The obvious answer is either final surrender or a hot war. Since we all want peace, our economic advantage should be used toward easing the cold war, not just as a means to dispose of some of our farm surplus and make a small and inadequate adjustment in our gold outflow situation.

The question of U.S. trade in farm commodities with Russia and other Communist countries is a major case in point. To the Communists, any advancement in this field is a major political gain. Despite this, we have agreed to sell farm commodities to Communist countries without commensurate political gains for us. We did not ask that Russia remove her troops from Cuba or tear down the Berlin wall or stop harassing Allied convoys on their way to West Berlin.

Second, in the wheat deal, we have agreed to sell wheat to Russia at the world price. The U.S. Government, with taxpayers' money, will pay the rest.

Again, this concession was without any gain for us in return.

Third, the administration decided to relax the requirement that U.S. ships be used to carry the wheat to Russia. This will further increase the gold outflow to foreign shipowners. Meanwhile, our west coast lumbermen still are subsidizing the U.S. shipping industry under the Jones Act. They must use U.S. ships in trade with the east coast, and they are losing markets there because of the higher cost of U.S. shipping. Again, we ask no commensurate concession from Russia.

Now, as a final blow, we are being asked in this foreign aid bill to guarantee Russia's credit so that banks will lend her the money to buy the wheat. We are providing our wheat at a cutrate price. We are permitting the use of cheaper foreign shipping, and now we are asked to provide the credit.

Mr. Speaker, I voted for a foreign aid bill that provides \$2.8 billion of taxpayer money to help needy foreign countries. This bill would have restricted the President from guaranteeing Russia's credit. Now we are asked to approve a compromise providing two things: One is \$3 billion in foreign aid. I would agree to compromise and vote for this amount since it represents a major reduction from the \$4.9 billion originally requested. The other is that we underwrite Russia's credit so that she can buy U.S. wheat on time payments after she largely has paid cash for Canadian wheat.

Soviet Russia still owes us nearly \$11 billion for World War II lend-lease which she steadfastly has refused to pay. She still owes the United Nations millions in unpaid obligations. Under these conditions, I can have no faith in guaranteeing Russia's credit. It could result in the United States paying for its own wheat to send to Russia.

Another factor has been largely ignored in the weeks of debate over the wheat sale. The U.S. public has been permitted to develop the impression that, somehow, the sale of wheat to Russia is a great humanitarian gesture. Because we are a nation of great compassion, many of our citizens have endorsed the wheat sale under the mistaken impression that Russians are starving. Nothing is further from the truth. Russians are not starving. This is not a humanitarian gesture. It is purely for the economic and political gain of Soviet Russia. And it is draining us of one of our most powerful weapons in the cold war.

With the indulgence of the House, Mr. Chairman, may I quote briefly from a paper written by Prof. Zbigniew Brzezinski, director of the research institute on Communist affairs and professor of public law and government at Columbia University. May I preface it by saying that this expert on Russia favors the wheat sale in its proper context.

Professor Brzezinski said, regarding the wheat deal:

The humanitarian argument can be dismissed quickly. First of all, there is no famine in Russia. The Soviet people are not starving, and the Government has not lost all of its ability to meet a food crisis. It

could certainly divert some of its resources from heavy industry to better agricultural management, and it is still capable of providing the basic staples to meet Russian needs.

To the Soviet leaders, the wheat deal is political because two very vital Soviet political interests are involved:

The first is the stability of the collective agricultural system itself. Over many years, that system has failed to deliver the goods, at least in so far as the Soviet consumer is concerned. Yet to the political leadership, the collective system is essential. Collectivism was abandoned in Poland and Yugoslavia because the leaderships had no way out. By importing wheat the Soviet leadership sees a way out, and hence the wheat deal is necessary to Moscow, in order to maintain its domestic system of collectivization.

Secondly, the importation of wheat is necessary to the Soviet Union in order for it to meet its grain export commitments. These commitments are important to the Soviet leadership primarily for political reasons. Last year the Soviet Union exported approximately 7.8 million tons of grain, of which wheat constituted 4.7 million tons. The list of clients shows clearly the political importance of the exports: the largest consumer was East Germany, followed successively by Czechoslovakia, Poland, Brazil and Cuba.

The above comments should not be construed as an argument against an American-Soviet wheat deal. They are meant to suggest, however, that this wheat deal ought to be viewed in political perspective and that United States negotiators ought to seek political concessions from the Soviets in return.

For example, it would seem ironical for the United States to be helping the Soviet Union to maintain its collectivized agriculture and its politically motivated grain exports and at the same time for this country to endure continued Soviet harassment in its access to Berlin. At the very least, our negotiators could insist on a clear reciprocal understanding of the technical arrangements involved in Western access.

In conclusion, Mr. Speaker, many of us who have remained here in the Chambers have done so because of strong convictions. These convictions relate to a concern over the type of negotiations we will encourage by permitting the indiscriminate use of American credit to underwrite the sale of wheat to Communist countries.

It is becoming increasingly evident that the Soviet Union is shifting to the economic battleground in the conduct of their cold war against our free enterprise system. If the opportunity presents itself, they will just as quickly shift to the use of military hardware to advance their cause. Our history of dealing with the Soviets and all advocates of the Communist doctrine is very clear—they will use deceit, deception, treachery, and trickery to win in their announced objective to "bury us."

Now with the emphasis placed on smooth talk and an unwarranted appeal to the humanitarian instinct to Americans, they have hoodwinked us into accepting another deal—again on terms satisfactory to their cause. In dealing with the Communist countries, the prudent bankers associated with the Export-Import Bank recognize the tremendous collateral risks involved. The risks are so great that commercial banks do not choose to participate at the rates of interest to be charged.

But here again, Uncle Sam, who is rapidly being recognized in hard business circles as "Uncle Sap," has intervened to set the stage for providing credit, I repeat, credit—not cash on the barrelhead—for the benefit of our political enemies, the Communists.

In this type of warfare, be it hot or cold, be it military or economic, we must keep our guard up. We must retain every available weapon in our arsenal. The chief weapon we have available to us is the economic strength of this Nation—whether it be for the support of our military effort or for the development of our own, long-overdue, ideological offensive.

The issue is clearly in focus by the vote we cast today. If we vote to support credit for Communist countries, we are voting to undercut the economic foundation of this country—the economic foundation upon which the leadership of the free world is dependent for its strength. With the history of unmet treaty obligations, as well as financial obligations with the Soviet Union, how can any thinking American expect a turnabout in present and future negotiations with our Government?

If they want the wheat on a cash basis, I say OK. But when the deal is considered on a credit basis, I say "Nyet." When is Uncle Sam going to wake up to the reality of the Communists announced objectives? They want to dominate the world, they want to substitute their system for ours, with the total loss of freedom that is inevitable. They want to guide our destinies and control our opportunities. In this, I refuse to participate. This is why I have chosen to stay here this Christmas Eve to vote against this proposal.

Mr. LINDSAY. Mr. Speaker, three times we have been called upon to vote on this question. For the third time I intend to vote in support of the foreign aid conference report, in support of the bill, in support of congressional expedition, and in support of the constitutional powers of the Executive in the conduct of foreign policy. Others may consider this a party matter. I do not. This is a part of foreign policy and Congress must give the President sufficient flexibility in which to work. If he is wrong in his use of these powers he will answer for it to the country.

The issue has been pushed out of proportion. The Export-Import Bank may or may not extend credit in the course of commercial transactions involving the sale of wheat for dollars. That is a decision that will be made by the President, reporting to Congress, and by the Bank exercising business judgment. It is important to remember that when President Eisenhower was in the White House the Export-Import Bank in 1957 guaranteed a \$30 million loan to Poland to buy a tinplate mill. Payments started to come in last year at 4½ percent interest. Again in 1958 the Bank guaranteed a \$25 million purchase of pharmaceutical products by Poland. In 1959 there was a \$6 million transaction. The losses of the Export-Import Bank have been infinitesimal. From a business point of view there should be no objection. From a policy point of view this

country has everything to gain by not putting roadblocks in the way of the proposed wheat sale. We have more wheat on our hands than any other country. Our taxpayers pay \$400 million in storage charges alone. Direct subsidies are many hundreds of millions of dollars added to this. Canada, Australia, and now even West Germany are in the business of selling or proposing to sell wheat to Russia. The terms of all of these transactions are the usual business ones. So much is paid down—the U.S. proposal is 25 percent of the cost—and the balance is financed by bank loans. There is nothing unusual about it. I for one, too, am of the view that there is no better way to demonstrate the failures of the Soviet economy than by these wheat shipments. And in the course of it we unload some of our surplus and stand to gain upward of \$2 billion in gold.

I can see no objection to the language of the conference report. It states very clearly that the Export-Import Bank is not to guarantee any payment incurred by any communistic country in connection with the purchase of any product except when the President of the United States makes a determination that it is in the national interest to permit the Bank to extend credit, and a report must be made to the Congress within 30 days to that effect. That puts the onus squarely on the President.

Finally, this is an appropriations bill backing up a foreign policy decision. This is the wrong bill for a substantive policy issue of this kind. It is not germane to our task. But beyond this, let us remember that Congress and parties must act with restraint in the area of foreign policy. The founders of the country understood this when they wrote the Constitution. Let us not forget it.

Mr. MINSHALL. Mr. Speaker, the day before Christmas and all through the House my colleagues are handing out credit cards drawable upon and secured by the American taxpayer. This folly will bring us not one inch closer to peace on earth nor promote much good will among all men. As a member of the Foreign Operations Appropriations Subcommittee, I protest against the United States underwriting its own loans to the Soviet Union and some 18 of its satellites.

Mr. HARSHA. Mr. Speaker, I opposed the so-called "sale" of grain to Communist nations from its inception because I felt that it was ridiculous to be spending billions of dollars in foreign aid to contain communism and then turn around with the other hand and bail them out, nurture their suffering economy, with subsidized grain.

Furthermore, I felt it a great injustice to those American soldiers who were called upon to risk their lives to combat communism for this Government to enhance the Red economy by supplying it much-needed food products.

Mr. Speaker, there were many other reasons why I opposed this deal even under its original terms, but, Mr. Speaker, originally it was promised the American people that this deal would be for cash only and that it was a one-shot transaction that would be shipped in American vessels. Then, Americans were

told only 50 percent of the shipments would be carried in American vessels; now, it is to be shipped American only if there are American ships available and instead of cash, it is to be for credit.

Now, Mr. Speaker, even those people who supported the idea originally did so only on the basis that the sale would be for cash.

Russia has paid cash for all the grain she has purchased from Canada.

This year alone, Russia has placed on the market some 325 tons of gold worth \$365 million to raise cash to pay for wheat purchases. Yet, Russia wants to purchase American wheat on credit. Is it because she knows that ultimately she won't have to pay us?

According to the State Department, Russia owes the United States \$10.8 billion, yet Russia has the largest gold reserve in the world except for the United States. Congress certainly is playing Santa Claus to Khrushchev by extending further credit to Russia.

Now, it is obvious that the sale will be made on credit; otherwise there is no reason for the fight against the restriction prohibiting the Export-Import Bank from extending credit to Russia.

The American taxpayer has again been bamboozled.

The action of Congress in refusing to restrict credit to Communist countries is tantamount to issuing a credit card for communism.

Mr. ALGER. Mr. Speaker, contrary to the views of so many expressed on the floor of the House during debate on this matter, I believe a great majority of the American people would join with me in disagreement to doing any business with the Communists. As I pointed out earlier, it seems the debate centers around whether or not credit will be extended through the Export-Import Bank. I want the RECORD to show that at least one Member, this Member, although certainly there must be many more who do not believe we should do any business with the Communists—not in food, not in any product. This resolution would permit the President to do business with Russians in any product.

There are several other matters that should be mentioned at this point.

First. This legislation or any legislation should not be considered on any basis but merit. As I see it, the majority leader was utterly wrong in saying that rejection of this resolution would be a "slap at the President." We must not, as the legislative branch, abdicate our responsibility. We represent the American people and I am convinced a majority of the American people are opposed to doing business with the Russians. However, whether I am right or wrong is not so important as the fact that each Member should vote his convictions in representing his district on the merits of the bill rather than whether this supports or rejects the President. President Johnson, himself, in his first address to Congress said that he did recognize and respect the "integrity and independence" of the legislative branch. Obviously his present conduct belies this statement. However, that was what he said.

Second. The best evidence that this administration may be soft on communism and, therefore, the House must reject this resolution can be found in Secretary of State Rusk's recent appeal to our friendly neighbors in the world that we must help Russia because Russia was having Communist ideological differences with China. Such a course, as I see it, for us would be suicidal since we will be aiding an enemy determined to enslave us by any means, fair or foul.

Third. We are by this resolution helping further to make Russia respectable in the world today. True, this conforms to the pattern we have followed since we recognized Russia in 1933 but is no less wrong. In fact, it is even more wrong today because Russia has shown us how dishonest and untrustworthy they are and is the Communist philosophy.

Fourth. There is no assurance of repayment as was pointed out in debate when the collateral was used. Of course, there will be no collateral except the Communist word and we know how little that means.

Fifth. Russia if needing financial help can arrange her own credit.

Sixth. We have no assurance that this legislation will be limited to food and will not be extended to any or all other products.

Mr. PASSMAN. Mr. Speaker, before I move the previous question on the conference report, I want to mention to the gentleman from Kansas [Mr. AVERY] that the wheat amendment is not in the conference report. That will come subsequent to the passage of the conference report. Is that correct?

Mr. AVERY. That is correct.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 11, line 14, insert:

"SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any construction contract in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such contract, except when such nationals or citizens of the United States are not available and qualified to perform such work, or when the President finds that application of this provision would be contrary to the national interest."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

"None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole

or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or qualified citizens of the United States: *Provided, however,* That the President may waive the application of this amendment if it is important to the national interest."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 17, line 17, strike out: "None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national."

Mr. PASSMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows: Restore the matter stricken, amended, to read as follows:

"None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination."

Mr. PASSMAN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am sure the Members of the House know my record for trying to save money in the foreign aid bill. The record speaks for itself.

I believe there are certain facts about this so-called wheat amendment that should be explained. It is my understanding that when you do business nation to nation under Public Law 480, it is customary either to make a grant or a sale in local currency on a long-term basis.

It is my further understanding that we have in excess of \$8.5 billion in surplus agricultural commodities. Those commodities are now being shipped into over 50 nations of the world either on a grant basis or for sale on a local currency basis. In some nations we are accumu-

lating so much local currency that, in all probability, we will never be able to spend it. After checking into this matter I find that many other nations are doing business with the Soviet Union on the same basis as is proposed here. In October, West Germany shipped to the Soviet Union 450,000 tons of flour. It is also my understanding that when you do business on a government-to-government basis you may eventually negotiate or compromise and may not expect to get all your money, but the basis on which we are proposing here to do business with Russia is considered a cash basis; 25 percent cash, 25 percent in 6 months, 25 percent in 12 months, and 25 percent in 18 months. The only part that the Export-Import Bank plays is to guarantee the credit and for guaranteeing that credit the American taxpayer could receive a profit of over \$10 million. The agreement that is proposed here prevails in the case of other nations who are also extending credits to the Soviet Union. It is also my understanding that in many instances where the American businessman is doing export business with Soviet Russia, such terms are also extended.

While our allies are waxing fat, shipping commodities to the Soviet Union, we are continuing to build up our agricultural surpluses here in America. There is not one dime of cash involved in this transaction. It is only a guarantee by the Export-Import Bank for a period of 6 to 18 months.

Mr. Speaker, it is most difficult to defend anything when you mention the Soviets. I am getting telegrams from my district, just as you are getting telegrams from your district. But, remember that the President must make a determination that it is in the interest of our country before he may permit the transaction to proceed. Under existing law, he does not have to make such a determination before proceeding. I am not afraid to say that in this one instance it is considered a cash deal. I am thoroughly convinced that we are going to get approximately \$2 billion in gold if we go through with this proposal. On the other hand, if we do not go through with this proposal, in all probability we are going to give, not sell, the same wheat to 54 other nations.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I would be happy to yield to the gentleman from Iowa.

Mr. GROSS. The gentleman refers only to wheat and other agricultural surpluses.

Mr. PASSMAN. Yes.

Mr. GROSS. This amendment is not confined to wheat or to agricultural surpluses. It provides for the sale of any product to the Communists. It can be roller bearings, or anything.

Mr. PASSMAN. That is true. It could be used on such a basis, but the gentleman knows as well as I do—

Mr. GROSS. I do not know that.

Mr. PASSMAN. That the intent is to allow the sale of \$2 billion of surplus wheat to the Soviet Union.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. QUIE. I think it also ought to be clear that if the Soviet Union paid enough interest to secure credit from commercial firms in this country, they could secure the credit. But the United States is actually putting up their collateral to enable the Soviet Union to secure credit at a lower interest rate in order to make the loan. That is the important thing here.

Mr. PASSMAN. This is a standard proposal of the kind that is entered into by any nation shipping products to other nations.

If the gentleman would check on the contracts with West Germany and the other countries who are selling to the Soviet Union you will find out that this is considered a cash transaction. I do not like it any better than you do. However, I think we have played politics with this amendment long enough. I do know this: I know that we may get rid of \$2 billion worth of surplus commodities and if we do, we will get in return \$2 billion in gold, as well as the Export-Import Bank earning approximately \$10 million in interest for its guarantee of the transaction.

Mr. Speaker, I say to the Members of the House that as chairman of this subcommittee I have faced up to my responsibility. I do not like foreign aid. But as far as I am concerned this is a cash transaction. We may get rid of \$2 billion of surplus commodities and, if we do, we will get in return \$2 billion in gold. The Export-Import Bank, representing the United States, will make approximately \$10 million as profit.

That is it, gentlemen. You can talk here until Santa comes at 12 o'clock tonight and you cannot change the facts.

We have brought this conference report back to you. All of the conferees agreed that this proposal was the very best thing that could be worked out.

I repeat that in my candid opinion you will get rid of \$2 billion worth of commodity surpluses, the same as many other countries are doing. We may get up to \$2 billion in gold and we will make \$10 million for guaranteeing the transaction.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. As a matter of fact, was it not the gentleman from Iowa, my good friend [Mr. GROSS], who in the debate the other day, pointed out that under existing law, with or without this amendment, the President of the United States has the power and has had the power for many years to make a finding that the national interest requires a transaction under which roller bearings or any other strategic materials could be sold to the Soviet Union? As a matter of fact are we not by this amendment simply enabling the President to use the credit of the Export-Import Bank, and in the exercise of the same discretion under which he can today approve the sale of strategic materials behind the Iron Curtain?

Mr. PASSMAN. Yes; this is a normal procedure, the same procedure that all other nations use when they are doing business with other countries. Make no mistake about that. This is nothing new. You have had similar arrangements with Yugoslavia and Poland. You have given the President the same right as far as aid to Indonesia is concerned, and, as far as I am concerned, Indonesia is a Communist nation.

Now, Mr. Speaker, I think we have carried this debate a little bit too far. I am willing to take a position and I know the Members of the House agree that I am against excessive foreign aid spending. I have worked untiringly to put some commonsense into this program. We have cut it to the extent of \$8 billion in the past 9 years. But so far as I am concerned I am not going to play politics with this proposal any longer. I am going to face up to my responsibility. I want to see the \$2 billion of gold coming into this country if it is possible and I want to see \$2 billion worth of surplus agricultural commodities go out of this country. Further, I want to see my Government make \$10 million for guaranteeing the loan. This is a one-time proposition. It is considered a cash proposition. You will not get the cash except under these terms. Those are the terms for getting the cash. If you want to go home for Christmas let us approve this conference report and amendment No. 20.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Texas.

Mr. PATMAN. Is not this a fact, that this is strictly a business loan?

Mr. PASSMAN. That is my understanding.

Mr. PATMAN. If the gentleman will yield further, not only that but they pay an insurance premium, the exporters do?

Mr. PASSMAN. Yes; that is right, and we make a \$10 million profit.

Mr. PATMAN. In order to guarantee these loans they pay an insurance premium and the loans will not be made unless the security is adequate?

Mr. PASSMAN. Yes, this is normal procedure used by this country and all other countries. We all know that.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Speaker, I do not intend to take the 5 minutes. However, Mr. Speaker, I am a little bit at a loss to know exactly how to talk about this deal because I do not know what the deal is. I have heard a lot of things said about it but I do not understand the explanation.

Mr. PASSMAN. If the gentleman will yield, that is why I tried to explain the deal for the benefit of the entire House. I thank the gentleman for that statement.

Mr. RHODES of Arizona. I do not think the gentleman from Louisiana

knows anything more about it than I do. All we know about it is what we read in the papers. I do know this: I have heard it rumored that this is to be 25 percent down. I do not know in what it is down, whether it is rubles down or dollars down, or peanuts down.

Mr. PASSMAN. It is dollars.

Mr. RHODES of Arizona. But I do know this, that the rest of it is supposed to be on some sort of credit terms and is supposed to be guaranteed. I do not think this is the usual deal. I do not think every time grain is sold to France or Western Germany or any of the other nations of the West the Export-Import Bank is called on for a guarantee. The reason they are called on for a guarantee is because the sale is to be made to a nation which does not have credit. We are going to make that respectable. Why are we going to make that respectable? Are we going to make it respectable because their Premier says they would bury us? Is this why we should make them respectable? I do not think the people of the United States want to do anything like that.

What are the terms? People on this side of the aisle have said there is to be collateral, there is to be security. What security? What collateral? There is no such thing as this in dealings between nations.

The facts are these. We own some wheat. We were told that that wheat would be sold for gold. It is not going to be sold for gold. It is going to be sold for credit. We do not know what. The credit is so bad that the American taxpayer not only has to buy the wheat and sell it for less than he pays for it, but now he has to guarantee a loan for it. I ask you if this is any kind of deal that anybody should enter into. The answer is "No."

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Illinois.

Mr. FINDLEY. The gentleman from Louisiana is making quite a point that we stand to make a considerable gain on our gold problem by providing this authority to the President. I would like to point out that to the extent that we lend credit to the Communist countries, to that very same extent we fail to make any gain on our balance-of-payments problem or our gold outflow problem. The best way to make sure we are going to have a gain on our gold problem is to insist on cash on the barrelhead.

I call the attention of the gentleman to an article which appeared in the Evening Star last month quoting diplomatic sources as follows:

Senate defeat earlier this week of a bill by Senator MUNDT, Republican, of South Dakota, to prohibit the Export-Import Bank finance the wheat deal left the Soviets unimpressed, diplomatic informants declared. They said Moscow was prepared to pay for the wheat in gold or hard currency anyway.

They were unconcerned about the Export-Import Bank issue.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Ohio.

Mr. BOW. I think it also ought to be pointed out for the information of the gentleman from Louisiana that this could not be \$2 billion for wheat. This is talked of as being only \$300 million. That is the most anybody suggested. There will not be any wheat going into Soviet Russia in that amount. When Germany buys wheat from us it is because she has sufficient credit. If the Soviet Union had sufficient credit, she would be able to buy from commercial firms, but she does not. So we are asked for the United States to put up a guarantee for them, and it will not help our balance-of-payments stand until they pay for it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Oklahoma spoke of the statement I made in debate on this bill a few days ago. It is true that unconscionable authority has been delegated to the President. That is what I am protesting here today and protested then. I protested when the Agency for International Development was created. This is another demonstration on the part of the House of Representatives in giving to the President unwarranted and unholy delegated power. I refuse today to compound that felony.

Mr. RHODES of Arizona. This is no attempt to belittle anybody, certainly not the President of the United States. This is an honest disagreement. I would remind you that the President of the United States has spent most of his life on Capitol Hill. He knows what this sort of disagreement is. He knows nobody who opposes him on this is opposing him or the administration.

Mr. Speaker, may I thank the Members of the House, particularly my good colleague from Louisiana, for the type of cooperation, the type of good fellowship, really, which we have had through a very trying period, and to give to the Members of the House and particularly the Speaker my very best wishes for a merry Christmas and a happy New Year.

Mr. CHELF. Mr. Speaker, my votes on this piece of legislation over the past few days does not reflect my confirmed feeling that it is bad for the United States to continue to try to support 100 of the 110 duly recognized nations of the world. As I have previously stated in the debate on the authorization bill and during the debate on this appropriation bill—the U.S. Treasury and the American taxpayers cannot solve all of the economic problems of the world. Our gold supply has diminished to the point where we now have an insufficient amount to back the American dollar. As I have stated before—I hereby repeat—our Nation owes over \$300 billion in debts not including all those public debts that we as a nation have guaranteed.

The reason that I voted against recommitment of this bill, and for the rule, is due to the fact that I wanted to help uphold the hand of our great new President. Knowing something of the thinking of the European mind—I know that

had President Johnson lost this fight on this bill it would have created in the minds of our oversea friends the idea that the Congress had repudiated our new President. They would have interpreted it as "a no confidence vote." Therefore, while basically I am opposed to this appropriation bill, I felt it my duty to my President, my country, and my party, to support them, especially since President Johnson has only been in office as our President for just about 30 days.

Mr. PASSMAN. May I wish all Members a very Merry Christmas and a happy New Year.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a table showing a breakdown of the bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PASSMAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion.

Mr. RHODES of Arizona. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

Mr. RANDALL. Mr. Speaker, on this day before Christmas we come face to face with the issue of an amendment that would permit the extension of some short-term credit to the Export-Import Bank to Russia for purchase of wheat. The issue has been fully debated, but now that the conference report provides that the final determination is left to the President as to whether the extension of credit is in the national interest, the real nub of the issue is whether or not the Congress has trust and confidence in the President. Under the Constitution, the Congress must trust the Chief Executive as the Commander in Chief of the Armed Forces. He has the decision as to whether or not the terrible power of the mightiest military machine on earth shall be unleashed. This has been reposed in the Chief Executive by the Constitution. Surely, no one can say he should not be trusted with a matter of a few months credit for the sale of wheat. No money is involved, no cash is involved, only credit and even with this extension of credit some \$5 million will accrue to the United States from exporter premiums.

Aside from all emotional, economic and political implications the other free world nations will go on trading with the Communists. If the United States forgoes such benefits it will do so without any appreciable injury to the Communist system. There is precious little the United States can do to prevent trade with Russia by the rest of the world.

On last Monday, December 16, an amendment to the foreign aid ap-

appropriations bill, worded in rather legalistic and somewhat misleading language caught some of our Members by surprise. Although it is now clear that it was aimed at prohibiting the sale of wheat upon which we are now paying annual storage costs, the amendment did not even mention the word "wheat." There was and is the attempt to claim that it was a blow at communism. A look at the facts shows it may be just the opposite. Any gold they use to pay for wheat to eat cannot be used to pay for guns or war materials. Money we receive from the wheat can be used to help support our bases overseas and reduce our balance-of-payments deficit.

During the debate the gentleman from Iowa, NEAL SMITH, was one Member of the House of Representatives who immediately recognized the implications and spoke against the restrictive amendment. Since that time, President Johnson has vigorously opposed the amendment and it has been the subject of several skirmishes in both the Senate and the House.

The amendment would limit our sales of wheat on the world market, will give assurance to Canada and West Germany that they can go ahead to continue to make sales that we could have made, and provide the further assurance that our wheat will instead be left in storage at Government expense. In the month of October alone, West Germany sold 450,000 tons of flour to Russia. We have unemployed people who would like to have milled, packaged and transported that flour. If the restrictive amendment stands, everyone in the United States loses except perhaps the storage people who cannot be blamed if they prefer the Government to continue to pay them millions of dollars indefinitely to store the wheat and corn that we could have sold.

The gentleman from Iowa has called my attention to an editorial in the Des Moines Register of December 18 which in my opinion is very informative and enlightening on the issues underlying the amendment. I want to commend our colleague, NEAL SMITH, for his alertness and to commend him for calling our attention to the editorial from the Des Moines Register, as follows:

WHEAT FOR RUSSIA

Strong opposition to the proposed sale of wheat to the Soviet Union continues in Congress. The House of Representatives voted 218 to 169 against permitting the U.S. Export-Import Bank to underwrite insurance on the deal, although the Senate had approved it by 57 to 35.

All Iowa Republicans in both House and Senate voted to stop the wheat sale. Only Representative NEAL SMITH, Democrat, voted for it and spoke in its support.

Most opponents of sale of wheat to Russia recognize that the sale would benefit U.S. agriculture. It would reduce the wheat surplus and make the choices in wheat policy much simpler next year. The American Farm Bureau Federation approved the sale as a good business proposition. The sale would reduce the cost of Government wheat support programs. Also, it would help the U.S. balance of payments.

The opponents declare that they are willing to permit private traders to sell wheat to Russia for cash. What they object to,

they say, is (1) Government guarantee of the transaction, (2) special concessions or "subsidies" to the Russians, (3) changed terms for the bargain from those laid down by President Kennedy.

The conditions made by Mr. Kennedy are not sacrosanct just because of his tragic death. But the fact is that no violation of those conditions is involved. Mr. Kennedy said that private dealers could go ahead with negotiations on a sale for cash, gold or normal commercial credit.

The Russians accepted the same terms from the American export firms as they did from Canada—25 percent cash, the remainder to be paid in 18 months. The Russians actually paid 80 percent cash down to Canada, apparently because they didn't want to pay so much interest to the capitalists. Whether they would pay more than 25 percent in cash on a U.S. sale cannot be told in advance, but the face-saving-conscious Russians insisted on the same credit terms as they got from Canada.

Mr. Kennedy also said the wheat should be shipped in U.S. vessels as much as possible. This leaves room for negotiation and adjustment, which is necessary because U.S. ship rates are far above world levels. Whether an agreement can be reached on this is still uncertain. But the Russians appeared to be willing to pay a moderate differential on the U.S. ships used, which does not sound as though they were driving a cruel bargain and upping the terms.

The U.S. Government pays the U.S. exporters a subsidy to make it possible for them to buy wheat at the support level in this country and export it at the world price. The Soviet bargainers, of course, insisted on paying the going world price.

The proposed Export-Import Bank insurance of the wheat sale to Russia is not Government credit. It is coverage of political risk on the private bank loans, and is considered to be part of normal commercial financing of such large sales in foreign trade. At least 19 countries, including such big trading nations as Japan and Britain, have such insurance programs.

It was brought out in the Senate hearings that the record of the Communist bloc countries on payment of commercial debts is very good, and the Export-Import Bank considers the proposed Soviet deal a very safe risk. Similar insurance is extended on more liberal terms to many countries—for example, on a sale of cotton to Japan last summer.

Objections to the terms of the Russian sale obviously are window dressing for opposition to the whole idea of selling wheat to Communists. Those who believe wheat should not be sold logically should oppose trade in any commodity with Russia. They also should oppose the trade of U.S. allies with Russia and the Communist bloc—including the large volume of trade between West Germany and Communist East Germany.

This would be futile, because the United States cannot dictate the policies of other free world countries. It would only tend to isolate America as an implacable foe of any attempt to establish normal relations with the Russians. It would deny American farmers a nice piece of export business and would earn this country ridicule for allowing hate of Communist ideology to overrule sound business judgment.

Worst of all, such an Iron Curtain policy would be missing the chance to dramatize America's superiority in farming in a way no propaganda by words can ever do. And all because of an irrational fear that we might be helping communism.

Mr. ROUSH. Mr. Speaker, this issue is a disturbing one for all of us and in the heat of debate the issue is distorted and as a result we see some fancy footwork

on the part of the members of the Republican Party. Within the past few years we have seen the Republican leadership agree to give to the President of the United States the authority to determine whether it is in the national interest to sell guns, and planes, and other strategic materials to certain Communist countries. Now we see them resisting the proposal that the President have the authority to authorize the extension of credit for the sale of—not arms—but food to Communist countries. The amendment prohibits the Export-Import Bank to guarantee credit to Communist countries wanting to buy wheat from us. But if the President believes it in the best interest of the United States to extend such credit he may authorize it.

Mr. Speaker, I shall vote "aye." I have always contended that we do nothing to further the cause of communism. If Russia is to use our wheat to further its political cause then we should not sell it to them. If by its sale we further our own cause by feeding the hungry people of the world then we should sell it. I have confidence in my President and am sure that he will serve the best interests of the United States.

Mr. DERWINSKI. Mr. Speaker, so much has been said concerning the controversial Mundt-Findley amendment to the foreign aid appropriation bill that I feel clarification is in order. I realize full well that all sorts of clarifying statements have been made, but frankly, they missed the point.

By selling wheat and other commodities at subsidized prices to the Soviet Union and other Communist countries under conditions dictated by the Soviet Union and its puppet states, we are engaging in a tragic, self-defeating operation.

What the administration is demanding the Congress to do is to place the stamp of approval on direct support of an international bandit, the Soviet Union. We are directly aiding "Mother Russia," a totalitarian nation under czars with its vision of world domination extended and refined by Communist dictators.

At a time when the Soviet farm economy is completely collapsing, our subsidy and aid have the effect of saving them from self-destruction. Arms are being twisted, pressure of all sorts is brought to bear, the leadership on the Republican side is outmaneuvered by false promises and final approval of a completely watered-down, meaningless amendment is a victory for communism.

Mr. Speaker, the Johnson administration has now completely clothed itself in the mantle of foreign policy of the last 3 years, which basically is coexistence with communism and a slow surrender to Red pressure in all parts of the world.

It is especially shocking that on the eve of Christmas the key issue before the Congress is a demand by President Johnson and his leaders in the House and Senate that the tax dollars of American citizens be used to subsidize communism. What more disgraceful performance could be displayed before the public at a time of the birth of the Savior when we, as a Christian nation, rededicate ourselves to the virtues of Christianity, while the administration rededicates itself to

the subsidy of the forces which aim at world domination.

Mr. CRAMER. Mr. Speaker, the issues herein are so obviously apparent that it is amazing that the Democratic leadership and President Johnson would choose to make a fight for a position that is not supported by the American people, let alone commonsense.

The providing of credit guarantees through the Export-Import Bank to Russia, and some 19 other Communist nations, not only for wheat but for any other product, makes no sense and is against our best interests for the following reasons:

First. To provide credit guarantees for products sold to the Communist nations is to help the enemy.

Second. To provide such taxpayer supported guarantees in a \$3 billion foreign aid appropriation bill designed to strengthen our hand against the Communists in the cold war is to repudiate one laudable purpose with a directly opposed purpose—and all in the same bill.

Third. Russia should be the last country to whom we should extend taxpayer guaranteed credit, not only because Khrushchev has announced the intentions of the international Communist conspiracy, to bury us, but also because Russia has already defaulted on \$11.8 billion of credit through lend-lease heretofore issued by Uncle Sam at the expense of the taxpayers.

Fourth. Russia is in trouble in its agriculture program, clear proof that Communist subjugation of the farmer—and the people—will not work and this wheat deal will bail that Communist government out of one of its major weaknesses and failures.

Fifth. By extending guaranteed credit, the United States is aggravating, not improving the flow of gold problem, and is undercutting the chief argument used by the proponents of the wheat deal to Russia.

Sixth. The amendment as amended by the conferees gives the President discretion to extend such credit if he determines it is in the national interests and he has already made such a determination, so to vote such discretion is to vote for the extension of such credit.

Seventh. Congress is not tying the hands of the President but is stating policy of no credit to Russia consistent with the American people's beliefs and is following precedents established previously by Congress such as on the Latta amendment restricting Public Law 480 wheat surpluses from going to Communist countries.

Eighth. To argue that the Findley amendment would affect the image of President Johnson before the world is to argue that Congress must rubber-stamp all presidential proposals, especially in the field of foreign affairs, even though Congress disagrees with them and thus to abdicate the constitutional duty of Congress.

Ninth. To issue credit guarantee authority to Communist countries for trade of products is to make a sham and a farce of our announced trade ban on Cuba, threatening withdrawal of foreign aid to countries trading with Cuba and closing

of U.S. ports to shipping companies trading with Cuba.

Tenth. To placate Russia and the Communist countries to this extent, realizing that some of this wheat and other products will undoubtedly end up even in Cuba, is to make a mockery of our entire anti-Communist position in the Western Hemisphere and makes such a policy the laughing stock of the Latin Nations.

The question was taken; and there were—yeas 189, nays 158, answered "present" 6, not voting 80, as follows:

[Roll No. 256]

YEAS—189

Addabbo	Hansen	Pilcher
Albert	Harding	Poage
Ashley	Hardy	Pool
Barrett	Harris	Price
Bass	Hawkins	Pucinski
Beckworth	Hays	Purcell
Bennett, Fla.	Healey	Pickle
Blatnik	Hechler	Rains
Boggs	Hemphill	Randall
Boland	Holland	Rhodes, Pa.
Bonner	Ichord	Rivers, Alaska
Brademas	Jennings	Roberts, Ala.
Brooks	Joelson	Roberts, Tex.
Brown, Calif.	Johnson, Calif.	Rodino
Buckley	Johnson, Wis.	Rogers, Tex.
Burke	Karsten	Rooney, N.Y.
Byrne, Pa.	Kastenmeier	Roosevelt
Cameron	Kee	Rosenthal
Carey	Kelly	Rostenkowski
Chelf	Keogh	Roush
Clark	King, Calif.	Roybal
Cohelan	Kirwan	Ryan, Mich.
Conte	Kluczynski	Ryan, N.Y.
Cooley	Kornegay	St. Germain
Corman	Landrum	St. Onge
Daddario	Lankford	Senner
Daniels	Leggett	Shelley
Davis, Ga.	Lesinski	Sheppard
Dawson	Libonati	Sickles
Delaney	Lindsay	Sikes
Dent	Long, La.	Sisk
Denton	Long, Md.	Slack
Dingell	McDowell	Smith, Iowa
Donohue	McFall	Staebler
Duiski	Macdonald	Staggers
Duncan	Madden	Steed
Edmondson	Mahon	Stratton
Edwards	Matsunaga	Stubblefield
Elliott	Miller, Calif.	Teague, Tex.
Everett	Mills	Thomas
Fallon	Minish	Thompson, La.
Farbstcin	Monagan	Thompson, N.J.
Fascell	Moorhead	Thompson, Tex.
Flood	Morgan	Toll
Flynt	Morris	Trimble
Fogarty	Morrison	Tuten
Fraser	Moss	Udall
Friedel	Multer	Ullman
Fuqua	Murphy, Ill.	Van Deerlin
Gallagher	Natcher	Vanik
Garmatz	Nedzi	Vinson
Gary	Nix	Watts
Gathings	O'Brien, N.Y.	Weltner
Gialmo	O'Hara, Ill.	White
Gilbert	O'Hara, Mich.	Whitener
Gill	Olsen, Mont.	Wickersham
Gonzalez	Olson, Minn.	Willis
Grabowski	O'Neill	Wilson
Gray	Passman	Charles H.
Green	Patman	Wright
Griffiths	Patten	Young
Hagan, Ga.	Pepper	Zablocki
Hagen, Calif.	Perkins	
Hanna	Pike	

NAYS—158

Abele	Beermann	Burton
Alger	Bell	Byrnes, Wis.
Anderson	Bennett, Mich.	Casey
Andrews, Ala.	Berry	Cederberg
Andrews, N. Dak.	Betts	Chamberlain
Arends	Bolton	Chenoweth
Ashbrook	Frances P.	Clancy
Ashmore	Bolton	Clausen
Auchincloss	Oliver P.	Don H.
Avery	Bow	Cleveland
Ayres	Brock	Collier
Baker	Bromwell	Colmer
Baldwin	Broomfield	Corbett
Baring	Brotzman	Cramer
Barry	Broyhill, N.C.	Cunningham
Bates	Broyhill, Va.	Curtin
Battin	Bruce	Curtis
	Burleson	Derwinski

Devine	Kyl	Rumsfeld
Dole	Laird	St. George
Dorn	Langen	Saylor
Dowdy	Latta	Schadeberg
Dwyer	Lipscomb	Schenck
Feighan	Lloyd	Schneebeli
Findley	McClory	Schweiker
Fisher	McDade	Schwengel
Ford	McIntire	Secrest
Foreman	McLoskey	Selden
Fountain	McMillan	Short
Gibbons	MacGregor	Shriver
Goodling	Marsh	Sibal
Grant	Martin, Calif.	Skubitz
Griffin	May	Smith, Va.
Gross	Meader	Snyder
Grover	Miller, N.Y.	Stafford
Gurney	Minshall	Stinson
Hall	Mosher	Taft
Halleck	Nelsen	Teague, Calif.
Halpern	Norblad	Thomson, Wis.
Harsha	O'Konski	Tuck
Harvey, Mich.	Pelly	Utt
Hoeven	Pillion	Van Pelt
Hoffman	Pirnie	Wallhauser
Horan	Poff	Watson
Horton	Quile	Weaver
Huddleston	Quillen	Westland
Hutchinson	Reid, Ill.	Whalley
Jarman	Reid, N.Y.	Whitten
Jensen	Riefel	Widnall
Johansen	Rhodes, Ariz.	Wilson, Bob
Johnson, Pa.	Rich	Wilson, Ind.
Jonas	Robison	Winstead
Keith	Rogers, Fla.	Wylder
King, N.Y.	Roudebush	Wyman

ANSWERED "PRESENT"—6

Downing	Mathias	Morse
Frelinghuysen	Matthews	Rivers, S.C.

NOT VOTING—80

Abbitt	Gubser	Murphy, N.Y.
Abernethy	Haley	Murray
Adair	Harrison	O'Brien, Ill.
Aspinall	Harvey, Ind.	Osmers
Becker	Hébert	Ostertag
Belcher	Henderson	Philbin
Bolling	Herlong	Powell
Bray	Holifield	Reuss
Brown, Ohio	Hosmer	Riehlman
Burkhalter	Hull	Rogers, Colo.
Cahill	Jones, Ala.	Rooney, Pa.
Cannon	Jones, Mo.	Scott
Celler	Karth	Shipley
Clawson, Del	Kilburn	Siler
Dague	Kilgore	Smith, Calif.
Davis, Tenn.	Knox	Springer
Derounian	Kunkel	Stephens
Diggs	Lennon	Sullivan
Ellsworth	McCulloch	Talcott
Evins	Mailliard	Taylor
Finnegan	Martin, Mass.	Tollefson
Fino	Martin, Nebr.	Tupper
Forrester	Michel	Waggonner
Fulton, Pa.	Milliken	Wharton
Fulton, Tenn.	Montoya	Williams
Glenn	Moore	Younger
Goodell	Morton	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Karth for, with Mr. Downing against.
 Mr. Philbin for, with Mr. Rivers of South Carolina against.
 Mr. Matthews for, with Mr. Haley against.
 Mr. Mathias for, with Mr. McCulloch against.
 Mr. Frelinghuysen for, with Mr. Knox against.
 Mr. Morse for, with Mr. Derounian against.
 Mr. Evins for, with Mr. Adair against.
 Mr. Hébert for, with Mr. Kilburn against.
 Mr. Burkhalter for, with Mr. Abernethy against.
 Mr. Celler for, with Mr. Williams against.
 Mr. Davis of Tennessee for, with Mr. Henderson against.
 Mr. Finnegan for, with Mr. Lennon against.
 Mr. Jones of Alabama for, with Mr. Scott against.
 Mr. Tupper for, with Mr. Waggonner against.
 Mr. Fulton of Tennessee for, with Mr. Abbitt against.
 Mr. Holifield for, with Mr. Brown of Ohio against.
 Mr. Montoya for, with Mr. Michel against.

Mr. O'Brien of Illinois for, with Mr. Martin of Nebraska against.

Mr. Powell for, with Mr. Fino against.

Mr. Reuss for, with Mr. Smith of California against.

Mr. Rogers of Colorado for, with Mr. Cahill against.

Mr. Shipley for, with Mr. Bray against.

Mr. Rooney of Pennsylvania for, with Mr. Gubser against.

Mrs. Sullivan for, with Mr. Harrison against.

Mr. Taylor for, with Mr. Becker against.

Mr. Osmer for, with Mr. Ellsworth against.

Mr. Martin of Massachusetts for, with Mr. Younger against.

Mr. Fulton of Pennsylvania for, with Mr. Hosmer against.

Mr. Diggs for, with Mr. Belcher against.

Until further notice:

Mr. Aspinall with Mr. Riehlman.

Mr. Kilgore with Mr. Harvey of Indiana.

Mr. Murphy of New York with Mr. Glenn.

Mr. Hull with Mr. Siler.

Mr. Stephens with Mr. Talcott.

Mr. Murray with Mr. Tollefson.

Mr. Herlong with Mr. Goodell.

Mr. Forrester with Mr. Moore.

Mr. DOWNING. Mr. Speaker, I have a live pair with the gentleman from Minnesota [Mr. KARTH]. Due to transportation difficulties he could not be here. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. RIVERS of South Carolina. Mr. Speaker, I have a live pair with the gentleman from Massachusetts [Mr. PHILBIN]. Because of the very, very heavy snow it was physically impossible for him to be here today. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. MATTHEWS. Mr. Speaker, I have a live pair with the gentleman from Florida [Mr. HALEY], who is ill and could not be here today. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. MATHIAS. Mr. Speaker, I have a live pair with the gentleman from Ohio [Mr. McCULLOCH] who finds it impossible to be here today. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. FRELINGHUYSEN. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. KNOX]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. MORSE. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. DEROUNIAN]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 18, line 22, insert:

"For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, \$22,500."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 18, line 10, insert the following:

"MISCELLANEOUS ITEMS

"For an additional amount for 'Miscellaneous items', \$215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading 'Contingent Expenses of the Senate' in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words 'one hundred and twenty' and inserting in lieu thereof 'one hundred and sixty' and by striking out the words 'six hundred' and inserting in lieu thereof 'eight hundred'."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement of the Senate numbered 25 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 18, line 21, insert the following:

"STATIONERY (REVOLVING FUND)

"For an additional amount for stationery, \$60,600: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on the conference report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE TO NOTIFY THE PRESIDENT

Mr. ALBERT. Mr. Speaker, I offer a resolution (H. Res. 601) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate, to wait upon the President of the United

States and inform him that the two Houses have completed their business of the session and are ready to adjourn, unless the President has some other communication to make to them.

The resolution was agreed to.

The SPEAKER. The Chair appoints the gentleman from Oklahoma [Mr. ALBERT] and the gentleman from Indiana [Mr. HALLECK] to wait on the President.

[Mr. BOGGS addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The Chair desires to express his thanks to all Members of the House, all of my colleagues, for the many courtesies and kindnesses you have extended to me during the past year.

I realize the sacrifices that each and everyone of you has made and I know that a grateful constituency and the country as a whole will appreciate it.

I extend to each and every one of you and your loved ones the greetings of the holy season and my very best wishes for happiness and joy for you and your loved ones at Christmas and during the coming new year and that God will bestow on each and every one of you and your loved ones an abundance of His choicest blessings.

SUPPORT FOR THE 18-YEAR-OLD VOTE

(Mr. HECHLER asked and was given permission to extend his remarks in the body of the RECORD in two instances.)

Mr. HECHLER. Mr. Speaker, since the President's Commission on Registration and Voting Participation recommended that each State consider reducing the voting age to 18, there have been a great many expressions of support for this proposal.

At Huntington East High School, Huntington, W. Va., and at Marshall University in Huntington, the West Virginia Youth Suffrage Committee has been organized. Among the leaders in the movement at Huntington East High School are Ann Cyrus, June Hunt, David Webb, and Richard Jackson. All of these high school seniors are extremely busy with responsible extracurricular activities—for example, Jackson, first-string halfback on the football team is also vice president of the student body at Huntington East—yet they regard it an obligation and a responsibility to devote a vast amount of time to this civic activity. At Marshall University, among those who have played a leading role in this drive are Kenneth Gainer, president of the student body; Francis Fabi, Michael Carroll, Dean Thompson, and John L. Jones.

In the current December 1963 issue of the Huntington East High School newspaper the Babbipes, Miss June Hunt, Huntington East senior, has penned a cogent editorial entitled "Time To Move" which, under unanimous consent, I include in my remarks:

TIME TO MOVE

This, the 100th anniversary of the founding of our State, is the year in which to move forward.

Since the beginning of 1963, certain young citizens, including five seniors at Huntington East, interested in the progress of the State of West Virginia, have become aware of the need for exercising their opinions in government both on a local and State level. These opinions can best be expressed by giving young people the right to vote at the age of 18.

During the past summer, I had the opportunity to work in Congressman KEN HECHLER's office for a week. This experience—the excitement of seeing our Government in action and getting to meet governmental leaders—greatly increased my awareness and interest in governmental and civic affairs. By the time students reach 18, many are very much interested in current affairs; if denied the right to vote, they frequently lose interest by the time they are 21 and are allowed to vote.

The minimum age for employment under Federal Civic Service Laws is 18. The minimum draft age is 18. Federal relief for dependent children is suspended upon reaching the age of 18. Under the penal code, an 18-year-old can be committed to the Federal prison at the discretion of the Attorney General.

In four States this lowered voting age has been successfully tried—Georgia (18), Kentucky (18), Alaska (19), and Hawaii (20). According to John A. Burns, Governor of Hawaii, "It is difficult to give reasons why the voting age should be 20 or any other specific age, older or younger, for as you know, the necessary maturity can come to exist in some people while still very young and perhaps never develop in others. I cannot believe, however, that 18 would be too young, as young people today are becoming more politically conscious at an earlier age."

In 1961, U.S. Senator JENNINGS RANDOLPH proposed an amendment to the U.S. Constitution to set the voting age in all 50 States at 18. At the same time Senator ROBERT BYRD of West Virginia introduced a companion bill. Many State officials, including Governor Barron, Representative Ken Hechler, Senators Jennings Randolph and Robert Byrd, Lyle Smith and C. H. "Jackie" McKown, State Auditor Denzil Gainer, State Fire Commissioner Dick Kyle and others, are personally in favor of this move.

Many young West Virginians are leaving the State. But the right to vote will give 18-year-olds a voice in the kind of future they would like for West Virginia and give them a stake in building the State.

I, personally, am proud to be associated with such a movement. I'm happy that this campaign began at Huntington East, and is spreading throughout the State from here. This can really raise our school's prestige in the eyes of both the student and adult world. I feel that we, as students, should back this campaign and continue spurring it on to the hilt.

JUNE HUNT.

Mr. Speaker, as further evidence of the rising tide of support for the 18-year-old vote, I also ask to be printed an editorial in the December 23, 1963, issue of the Huntington, W. Va., Herald-Dispatch:

IF THEY'RE OLD ENOUGH TO FIGHT, THEY'RE
OLD ENOUGH TO VOTE

With the recommendation of a Presidential Commission that 18-year-olds should be allowed to vote in all States, we are heartily in accord and have previously said so on several occasions.

There are no really valid arguments against this needed reform in State and Na-

tional election laws. Such arguments as there are do not amount to much alongside the blunt fact that an 18-year-old can be inducted into the armed services and required to fight for his country.

A nation which—in 48 of the 50 States—disfranchises its uniformed fighting men until they attain the age of 21 is following a policy that is both illogical and embittering. Young people cannot understand why such a paradoxical system exists. It is indefensible.

The Commission did not, however, base its recommendation for voting age on military service age. The members expressed the belief that the lower voting age would stimulate the interest of young people in politics and government and raise voter participation in the age group from 21 to 30.

By the time these young people reach 21, the Commission said, they are "so far removed from the stimulation of the education process that their interest in public affairs has waned."

Only two States—Kentucky and Georgia—currently extend the vote to 18-year-olds. Pending a more extensive study of voting trends in the last Kentucky statewide election, State officials are reasonably certain that young voters went to the polls in encouragingly large numbers.

As we pointed out here recently in urging West Virginia's Legislature to submit the question of a lower voting age to the people, our Constitution does not specify 21 as the legal voting age. It simply says that "no person who is a minor" shall vote—and by common law that term is used to describe a person who is not yet 21.

The Presidential Commission made several other recommendations, including abolition of the poll tax and abolition of all literacy tests—but not on the grounds that they are being abused. The Commission conceded the abuses, but said that "no American should be denied the right to vote because his formal education is limited."

This would imply that literacy tests—in those States which have them and enforce them—are being used to deny the vote to people who can at least read and write.

The dictionary definition of literacy is the inability to read and write, and if this is the only test being used to establish literacy, there are excellent reasons why it is justifiable. It seems doubtful that a voter in this day and age can inform himself intelligently on the qualifications of candidates—or even on their availability—if he cannot read.

Again, West Virginia's constitution is silent on this matter of literacy. It does deny the vote to paupers, but the stricture is seldom invoked.

In several other recommendations the Commission seeks to "make voting easier" by simplifying registration practices and residential requirements. By and large, these proposals would be ineffective, even if there were any prospect that the States could agree on standards for registrations and residences.

Making it easier to vote does not necessarily increase the desire to vote. It does not expand the citizen's sense of obligation to go to the polls and participate in the affairs of government.

Until we find the stimulants which will awaken voters to their responsibilities as well as their privileges, the American record of nonvoting will continue to be one of shameful indifference toward a heritage which was so dearly acquired and which was once so proudly preserved.

PRESIDENT JOHNSON'S FIRST MONTH

Mr. HECHLER. Mr. Speaker, as the flags of the Nation go up to the top of the mast, we pause on this eve of Christ-

mas to express the firm confidence of the people of America in our President.

One of the crowning achievements of President Lyndon B. Johnson is that he has so keenly sensed the mood of the American people. Millions of Americans walked with him, stunned with grief, on that Sunday afternoon in late November when he strode up to place the wreath by the casket of our martyred President. We were proud of the warmth and dignity with which President and Mrs. Johnson greeted the great heads of state who had come from all corners of the earth to pay their last homage to our fallen leader.

President Johnson expressed the personal emptiness which each of us felt at the loss of President Kennedy, because he felt it so deeply himself. Yet he also sensed that out of this tragedy, tears had washed away some of the malice and hate and laid bare the Nation's conscience. Just as President Kennedy had articulated the burning desire of the people for a fresh idealism in programs like the Peace Corps, now President Johnson successfully lifted the Nation from its despair and gave voice to its determination to move forward toward higher goals.

In his first hundred days in 1933, President Franklin D. Roosevelt electrified the Nation with his program which rescued the ship of state from the slough of despond. Nothing comparable to that happened until the man who so much admires F.D.R. took the helm a month ago.

As the President and his gracious First Lady are winging their way homeward for Christmas, our hopes and our prayers go with them. They have forged a new unity and strength of spirit in the American people. In President Johnson's first month in office he has displayed that touch of greatness which gives new meaning to the American dream.

Mr. Speaker, at this point I ask that there be printed in the RECORD an editorial from the Washington Post of December 22, 1963:

THE FIRST MONTH

This day, by the calendar, marks the first month of the Presidency of Lyndon B. Johnson, but the calendar is inadequate to measure days so packed with events. It must seem an epoch or an era to the man who assumed great office in the wake of great tragedy just 31 days ago.

Such was the dreadful impact of the events of November 22 that much that happened thereafter is seen as though dimly remembered from a distant dream. But what happened after November 22 also will have its place in history. These events are at once a tribute to the man who became President and to the country of which he became President.

President Johnson took up the burdens of great office with confidence and assurance and he has met the challenge of the crisis without false step or faltering. It has been a flawless performance. The Government plainly is in the hands of a professional politician whose virtuosity, if it continues, promises to make that sometime pejorative term more synonymous with statesman.

The great Federal Establishment has moved on with the business of state without a single disorder or convulsion, steady, in the wake of calamity, to all the demands that crisis has made upon it. Those

Cong., 1st sess., as of Dec. 24, 1963

legislation. Does include indefinite appropriations carried in annual appropriation bills

Senate							Conference			Public Law	
Budget estimates to Senate	Date and report number	Amount as reported	Date passed	Amount as passed	Senate action compared with—		Date filed and report number	Amount as approved	Increase or decrease compared to budget estimates to date	Number	Date approved
					Budget estimates	House action					
\$508,172,000	Feb. 28 (No. 9)	\$508,172,000	Mar. 4	\$508,172,000				\$508,172,000		88-1	Mar. 6
1,652,300,456	Apr. 24 (No. 155)	1,486,096,841	May 1	1,488,683,841	-\$163,616,615	+\$49,992,335	May 6 (No. 275)	1,467,430,491	-\$184,869,965	88-25	May 17
(500,000,000)		(450,000,000)		(450,000,000)	(-50,000,000)		May 31 (No. 290)	(450,000,000)	(-50,000,000)		
(1,152,300,456)		(1,036,096,841)		(1,038,683,841)	(-113,616,615)	(+49,992,335)		(1,017,430,491)	(-134,869,965)		
2,160,472,456		1,994,268,841		1,996,855,841	-163,616,615	+49,992,335		1,975,602,491	-184,869,965		
998,009,000	May 22 (No. 181)	979,093,400	May 28	979,693,400	-18,315,600	+57,068,200	July 11 (No. 551)	952,456,500	-45,552,500	88-79	July 26
(13,000,000)		(6,000,000)		(6,000,000)	(-7,000,000)			(6,000,000)	(-7,000,000)		
(17,500,000)					(-17,500,000)				(-17,500,000)		
6,146,842,000	May 3 (No. 168)	6,074,216,250	May 8	6,069,466,250	-77,375,750	+72,440,250	May 28 (No. 353)	6,045,466,000	-101,376,000	88-39	June 13
5,759,489,000	Aug. 1 (No. 383)	5,494,627,250	Aug. 7	5,495,827,250	-263,661,750	+45,846,250	Sept. 25 (No. 774)	5,471,087,500	-288,401,500	88-136	Oct. 11
6,368,755,000	Sept. 12 (No. 497)	6,046,738,340	Sept. 30	6,047,988,340	-320,766,660	+68,531,340	Dec. 21 (No. 1088)	6,224,370,215	-144,384,785		
3 (855,000,000)		3 (880,000,000)		3 (880,000,000)	(+25,000,000)	(+25,000,000)		3 (855,000,000)			
182,218,450	June 25 (No. 313)	168,273,069	June 26	168,273,069	-13,945,381	+28,234,150	Nov. 12 (No. 806)	168,293,069	-13,925,381		
2,159,891,900	Dec. 5 (No. 747)	1,821,283,000	Dec. 12	1,821,343,000	-338,548,900	-29,926,900	Dec. 17 (No. 1056)	1,820,093,000	-339,798,900		
49,014,237,000	Sept. 17 (No. 502)	47,371,407,000	Sept. 24	47,339,707,000	-1,674,530,000	+257,698,000	Oct. 7 (No. 812)	47,220,010,000	-1,794,227,000	88-149	Oct. 17
(328,724,000)	Nov. 6 (No. 632)	(319,582,825)	Nov. 18	(319,587,785)	(-9,136,215)	(+35,300,985)	Dec. 17 (No. 1055)	(313,093,424)	(-15,630,576)		
52,868,000		47,868,000		47,868,000	-5,000,000	+15,000,000		40,368,000	-12,500,000		
(20,800,000)		(20,800,000)		(20,800,000)		(+12,800,000)		(19,300,000)	(-1,500,000)		
14,658,588,000	Nov. 13 (No. 641)	13,390,214,650	Nov. 20	13,300,214,650	-1,358,373,650	+197,495,950	Dec. 5 (No. 1004)	13,224,518,050	-1,434,069,950	88-215	Dec. 19
1,966,400,000	Dec. 5 (No. 750)	1,617,489,000	Dec. 9	1,617,489,000	-348,911,000	+54,525,000	Dec. 12 (No. 1036)	1,585,880,000	-380,520,000	88-220	Dec. 21
4,561,957,000	Dec. 5 (No. 746)	4,500,988,200	Dec. 9	4,500,963,200	-60,993,800	+224,846,800	Dec. 11 (No. 1027)	4,406,272,700	-155,684,300		
4,874,550,330	Dec. 17 (No. 785)	3,604,364,667	Dec. 19	3,578,058,607	-1,296,491,723	+464,958,237	Dec. 21 (No. 1091)	3,298,705,607	-1,575,844,723		
41,886,000	Dec. 20 (No. 814)	258,090,000	Dec. 20	258,090,000	+216,204,000	+216,204,000			-41,886,000		
96,785,691,680		91,374,652,826		91,224,981,764	-5,560,709,914	+1,672,921,277		90,457,520,641	-6,328,171,039		
98,946,164,136		93,368,921,667		93,221,837,607	-5,724,326,529	+1,722,913,612		92,433,123,132	-6,513,041,004		
(888,800,000)		(906,800,000)		(906,800,000)	(+18,000,000)	(+37,800,000)		(880,300,000)	(-8,500,000)		
(17,500,000)					(-17,500,000)				(17,500,000)		

* Report rejected by Senate on Nov. 27, 1963. Amendments adopted separately on House floor on Dec. 17, 1963, and on Senate floor on Dec. 18, 1963.

* Report No. 1087 of Dec. 20 rejected previously.

† Does not include \$32,427,000 included in H. Doc. 174 but not considered.

* Does not include \$32,277,000 included in H. Doc. 174 but not considered.

Source: Prepared by Committee on Appropriations, House of Representatives.

composed of Members having many different and sometimes conflicting opinions and views on all the great issues. We function, Mr. Speaker, because this Chamber is filled with great Americans, devoted first and foremost to the concept of government by consent of the governed through orderly procedures and respect for the rights of the majority and minority alike. I salute my colleagues, each and every one, for their great contributions to the record of this session.

We also must recognize the magnificent part played by the officers and employees of the House, all of whom have given tirelessly of their devoted efforts to the work of this session.

We will be back together in a short while. I hope we all enjoy our brief rest, which is so well deserved. Again I thank you for your friendship and your help. I wish for each and every one of you good health and good fortune, and a happy Christmas holiday.

(Mr. RYAN of Michigan (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

[Mr. RYAN of Michigan's remarks will appear hereafter in the Appendix.]

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CONGRESSIONAL REFORM

(Mr. CLEVELAND (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, due to the unnecessarily long session of this House, much is being said concerning

congressional reform. Much of the comment is unduly harsh on Congress and some reveals a lack of knowledge of the true function and role of this House.

Because such comment is beginning to feed upon itself and is helping to create unfair disrespect for this House which, despite imperfections, is still the main-spring of democracy, it is important that perspective be kept. For this reason, it is refreshing to read a comment by the noted columnist, Max Freedman, which honestly attempts to place this matter of mounting criticism into proper perspective. Because of increasing interest in this general question, Mr. Freedman's column, which appeared in the Evening Star on December 23, follows:

IN DEFENSE OF OUR CONGRESS—KENNEDY'S VISION OF AMERICA'S NEEDS POSSIBLY AHEAD OF MAJORITY IN UNITED STATES

(By Max Freedman)

Few Americans will regret the end of this year's session of Congress. It has talked too much and done too little to earn respect or gratitude. But the criticism of Congress has now reached such a pitch of bitterness

that it is necessary to speak up in its defense if only to guard it from undeserved and exaggerated abuse.

We can never know what the final tally of legislative achievement would have been if President Kennedy had been spared. He himself thought that the most important parts of his program, including civil rights, would all pass by June of next year. He always spoke of his proposals as forming a 2-year program which would be endorsed by Congress as public opinion slowly prevailed. Perhaps President Kennedy could have mobilized those pressures in a way that would have brought action from Congress. He was certainly not despondent about the prospect at the time of his death.

In short, President Kennedy used a larger timespan in judging Congress and therefore he refused to join the angry critics. As a matter of practical politics he had very little choice. It was possible for Mr. Truman in 1948 to campaign against Congress because that Congress was under Republican control. In 1964 it would not have been easy for Mr. Kennedy to denounce a Congress dominated by his own party.

Yet there is a deeper reason than party loyalty for President Kennedy's troubles with Congress. It may be one of his best titles to greatness that his vision of America's needs was ahead of majority opinion in Congress and maybe even in the country. As a prophetic voice as well as a national leader he raised issues that could only be settled after long debate. He was less critical of Congress than many people wanted him to be, not only because he was much wiser than these critics, but also because he knew so much more about the legislative process.

In retrospect, his friends in Congress have only one criticism of his technique of leadership. They believe he made a mistake in sending so many proposals to Congress instead of bending its energies to action on a few major measures. It should be observed that this criticism reduces to complete futility all arguments which measure the success of Congress by the volume of legislation which it has endorsed.

Those arguments assume that the proposals sent to Congress are always wise and necessary; and that any opposition to them must be an offense against the national interest. The men in both parties who direct the work of Congress will never accept this wretched formulation of the legislative role. All criticism based on the inherent wisdom of presidential action will merely widen the breach between Congress and the executive branch, and delay rather than facilitate the passage of useful legislation.

It is, for example, no real contribution to legislative reform to suggest that Congress should be compelled to vote on certain measures within a period specified by the White House. Congress will not do it; nor should it.

When President Kennedy's trade program passed the House of Representatives, Mr. WILBUR MILLS was the hero. When the tax program got stuck in the House this year, he suddenly became a devil. Isn't this rather silly? Nor can all the abuse of Senator BYRD obscure the two essential facts that the Senate Finance Committee under his chairmanship is making progress with the tax bill and the Senate will be able to pass this legislation, despite his personal views, early next year.

All this trivial chatter about personalities cheapens Congress by degrading the debate into a scuffle for personal vindication. In the TFX controversy, for instance, this particular kind of attack dwells on the motives of Senator McCLELLAN or Senator JACKSON instead of recognizing the genuine and widespread resentment that prevails in the Senate over the Defense Department's role in awarding this contract.

No wonder experienced and responsible Members of Congress have refused to be persuaded by the kind of criticisms they have been forced to endure in the last few months. Those criticisms will find no champion in President Johnson, who has pledged himself to respect the integrity and independence of Congress. He knows that the best way to get good results is to treat Congress not as a destructive critic but as a useful partner in the necessary compromises of national leadership.

EXTENSION OF CREDIT TO RUSSIA

(Mr. FOREMAN (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. FOREMAN. Mr. Speaker, I must take issue today with those who urge that we cast our votes in the Christmas spirit. The folks of West Texas elected me to carefully consider each issue on its merits, to be diligent, thrifty, and frugal in the expenditure of their hard-earned tax dollars and to do what best my conscience dictates—not because of emotion, but because of reason.

I do not believe my folks want me to play Santa Claus to Khrushchev by issuing him an international meal ticket or a credit card for communism. The Russians are faulty now, some \$10 billion plus, in their payments to the United States of America for goods previously purchased. By granting credit to Russia, we will, in effect, be subsidizing the expansion of communism around the world.

Our foreign aid program is unrealistic and wasteful enough as it is, but it is repulsively unconscionable to make it even worse by extending credit to the avowed enemy of freedom and all that America stands for.

We are now shelling out American foreign aid dollars to 104 nations of the 112 in the world. The Agency for International Development now has 64,508 employees carrying on this program. I cannot and will not be a party to adding to this by an extension of credit to those not now covered in our foreign aid largess. In my opinion, it is not American.

(Mr. GRIFFIN (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. GRIFFIN'S remarks will appear hereafter in the Appendix.]

NEW GOP TASK FORCE ON LATIN AMERICA APPOINTED

(Mr. RHODES of Arizona (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RHODES of Arizona. Mr. Speaker, as chairman of the special projects subcommittee of the House Republican policy committee, today I am proud to announce the formation of a new GOP Task Force on Latin America.

Representative WILLIAM C. CRAMER, Republican of Florida, who is one of the

most knowledgeable Members of the House on Latin America is named chairman of the task force. Representative JAMES F. BATTIN, Republican, of Montana, is named as vice chairman.

The purpose of this special task force is to probe deeper into United States-Latin American relationships. This will be done with the idea of trying to establish a foreign policy which will first, work toward real friendship with our Latin American neighbors based on mutual respect and understanding; second, abate the anti-American feeling which is now prevalent in Latin America; third, destroy the Communist movement in that area and deny it to the Communist bloc; and fourth, make the Alliance for Progress program a workable one.

The task force will confer with experts in all areas of Latin American relations, develop long- and short-range programs to meet the challenges America faces in this area, and make reports to the Congress.

We are hopeful that the work of the task force will prove beneficial to the new administration as well as to the Congress.

Other Members appointed to the task force are Republican Representatives H. R. GROSS, of Iowa; JAMES D. WEAVER, of Pennsylvania; DON H. CLAUSEN, of California; JAMES T. BROYHILL, of North Carolina; DURWARD HALL, of Missouri; ELFORD A. CEDERBERG, of Michigan, and JOHN M. ASHBROOK, of Ohio.

(Mr. CRAMER (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

[Mr. CRAMER'S remarks will appear hereafter in the Appendix.]

(Mr. CRAMER (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. CRAMER'S remarks will appear hereafter in the Appendix.]

BALANCED BUDGET

(Mr. BOW (at the request of Mr. BRUCE) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. BOW. Mr. Speaker, on December 9 of this year I addressed the House on the accomplishments of the economy drive undertaken at the beginning of this session of Congress. At that time I estimated that we might make savings in the House of Representatives of approximately \$7,500 million. Even as of this date it is impossible to determine the exact cuts that were made, but they were substantial. More could and should have been done, and the task force will continue its operations during the next session of the Congress, and we shall continue to make every effort to make reductions where they are feasible and do not affect the national interest. It is our opinion we can accomplish a balanced

HAS POWER

In fact, the then Senator Johnson deserved much credit for helping to push through Congress many of Republican President Dwight D. Eisenhower's programs. And at a time when the Congress was made up of a Democratic majority.

So, we may look for Johnson to have more effective relationship with Congress than did President Kennedy.

Kennedy, either because of his age or other reasons, did not establish the best relationship. And, as Congress appropriates the money for foreign aid and other American programs, the relationship which a President has with it is a key point.

Whereas President Harry S. Truman was relatively unknown politically when he became President after the death of Roosevelt in 1945, Johnson has considerable political power and is known throughout the United States.

NO CHANGE

While American Vice Presidents had narrow scope of responsibility until the death of Roosevelt, this has changed. President Truman gave his Vice President, Alben W. Barkley, somewhat increased responsibility. But, the big change came with Eisenhower.

The general gave Vice President Richard M. Nixon considerably increased responsibility for the 8 years he was in office and President Kennedy continued this trend. Kennedy sent Johnson abroad frequently as his personal envoy.

Johnson's foreign policy will probably be essentially the same. Radical changes should not be forthcoming because, for one thing, the American political mechanism is a labyrinth and cannot be altered with the snap of the fingers.

As far as the integration issue is concerned, Johnson is generally regarded as a moderate. His attitude, although probably less aggressive than Kennedy's, will be pretty much the same.

President Johnson is less reserved than the late John F. Kennedy. The tall Texan (6 feet, 3 inches in all), is of the "hall fellow well met" school.

Here's an example of the Johnson personality which I observed first hand.

DYNAMISM

Johnson, as did Kennedy, went to Albuquerque, N. Mex., for the Western States Democratic Conference which was held there in February 1960.

Held at a sprawling ranch-style motel in the desert, the conference was a real political melee.

As I was talking to the public relations-conscious Johnson, he spotted a Christian Science Monitor press badge on my coat lapel. "That's a great newspaper," he said. "I read it every day."

We discussed the paper briefly and talked of other subjects. Johnson, a good mixer, greeted others who flocked around him to have a look at the Presidential aspirant.

Suddenly, Johnson spotted a friend across the crowded room. He called out the man's name, and like a shot bounded across the crowded room, thrust out his hand and greeted him. During a 15-minute period, Johnson repeated the performance many times.

Spotting someone he knew across one of the three rooms in which delegates and others were meeting at that stage of the day, he greeted the person enthusiastically, had a few words, then moved on to the next.

It is this dynamism and enthusiasm for which he is noted as a campaigner. Even though he suffered a severe heart attack several years ago, Johnson goes on with his amazing drive.

Johnson, in 1960, did not have the broad, national political organization which Kennedy did. Also, Johnson was from a State regarded as southern by many.

THE NORTH

In 1964 it will be different. With the death of Kennedy, the election might become a wide-open affair. Johnson will have the vast power and prestige of the Presidency behind him. This is a tough thing to beat in American politics.

However, the tag of "southerner" on him will complicate the situation.

It is, of course, too early to tell what will happen at the Democratic Convention next year. But, Johnson may well offer Robert F. Kennedy, the late President's brother and the Attorney General, the Vice-Presidency.

This would add the Kennedy name and influence to the ticket. It would tend to bring along the Kennedy faction of the Democratic Party. And, Kennedy being from the State of Massachusetts, it would add the northern region to the Democratic ticket.

REPUBLICANS

President Kennedy did the thing in reverse. He attempted to get the South and the Johnson wing of the party behind him by putting Johnson on the ticket.

On the other hand, the Republicans have a better chance now. The big problem with the Republican Party is that it is split between several candidates. If the Republican can unite soon behind a strong candidate, they may be able to win back the Presidency.

Only time will tell.

Unemployment Decreases in West Virginia During 1963—State's Economy Is Strengthened

EXTENSION OF REMARKS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, December 24, 1963

Mr. RANDOLPH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a news article, from the Charleston, W. Va., Gazette of December 23, which indicates progress in West Virginia during the present year. It is notable that we have lessened our unemployment from approximately 12½ to 7½ percent; and that the economy of the State has been strengthened. Gov. W. W. Barron has so reported.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette, Dec. 23, 1963]

ECONOMY SOARS, BARRON REPORTS

West Virginia's economy soared to a new record this year and the outlook is even brighter for 1964, Governor Barron said Sunday.

Records were established in salaries and wages, retail sales, dollar value of manufactured products and in at least nine other categories for which monthly indexes are kept, he observed.

"These things all add up to real progress," the Governor commented. "We have every reason to look for another record next year. All signs point to continuation of the economic boom we have enjoyed these past 2 years."

Barron predicted West Virginia's economic growth would be even greater next year if Congress approves the proposed reduction in Federal income taxes.

"We had a record business year in 1962, but this year is a great deal better," he continued. "At the same time, we have been able to bring a substantial reduction in unemployment; and the number of jobless in the State now stands at its lowest point in many years."

As a result of the drop in unemployment, employers next month will be restored to a merit rating for unemployment compensation tax purposes, he explained.

That will mean an annual savings of about \$12 million for them, he said. The lower tax rate is permitted by law if the unemployment compensation fund reaches \$45 million by January 1. It now totals more than \$56 million.

Total unemployment dropped 14.3 percent this year, Barron observed. Those without jobs now number about 40,000, with 11,000 of them earning wages by participating in the state work and training program (formerly known as aid to dependent children of the unemployed).

He said there were 105,600 unemployed West Virginians when he became Governor in 1961.

Barron said only 4 of 22 economic indicators failed to record better performances this year than in 1962 (he didn't cite the four).

Five categories didn't set new records, but they did top their 1962 figures, he added.

"West Virginia, as a State, can do whatever we think we can," Barron commented. "We have the ideas, the intellectual capacity and the resources to do it. We have ignited the spirit and determination of our people. We have restored confidence."

He said the economic development activities of his administration are "showing excellent results and will continue to move forward as we expand our programs and institute new ones."

Since he became Governor, 196 new manufacturing plants and expansions of existing ones have been reported, which created 11,724 new jobs, he said.

Barron cited these economic improvements this year as compared to 1962:

Total personal income, up 3.1 percent to \$3,316 million; coal production, up 7.2 percent to 127,121,000 tons; average weekly earnings in mining, up 9.3 percent to \$129.92; average weekly earnings in manufacturing, up 3.1 percent to \$104.45.

Automobile sales, up 14.1 percent to \$235.7 million; lumber production, up 18.3 percent to 356,808,000 board feet; sale of ordinary life insurance, up 8.1 percent to \$339.3 million; electric power production, up 5.7 percent; gasoline sales, up 5.9 percent to 580.8 million gallons.

Postal receipts, up 18.1 percent to \$12,668,000; bank debits, up 5.8 percent to \$10,924 million; value of building permits issued, up 3.1 percent to \$51,512,000; salaries and wages, up 1.6 percent to \$2,180,500,000; consumer tax collections, up 3.1 percent to \$44,799,000; business privilege tax collections, up 0.7 percent to \$55,745,000.

Value of manufactured products, up 1.8 percent to \$2,620 million; retail sales, up 3.4 percent to \$1,825 million; carloadings of class I railroads, up 2.4 percent to \$2,128,000.

I Refuse To Hand the Communists a Spade

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 24, 1963

Mr. JENSEN. Mr. Speaker, as a member of the House Appropriations Com-

mittee on whose shoulders rest to a very great degree along with the other 49 members of that committee, the credit of these United States which has been greatly weakened over the past three decades. Now we are being asked in this bill to further weaken our credit by guaranteeing the payment of about half a billion dollars worth of wheat and other commodities, the Communists wish to obtain from us simply on their promise to pay, which is no good. They owe us billions of dollars this minute which they refuse to pay while we are spending \$50 billion annually of our taxpayers' dollars mainly to keep the commies from burying us, as Khrushchev promised he will do; and as bread is yet one of the most important military commodities, I will not hand the ungodly Communists a spade with which to bury us.

The Foreign Aid Bill

EXTENSION OF REMARKS OF

HON. EUGENE J. McCARTHY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES
Tuesday, December 24, 1963

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial on the foreign aid bill which appears in the New York Times of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHACKLE ON FOREIGN AID

The sorriest episode in a dismal year on Capitol Hill is the partisan controversy over financing the projected Soviet wheat deal that is holding up adjournment in the House. Even if President Johnson emerges with the permissive power he wants—and should have—for Government underwriting of credit for the so-called private commercial transactions with Communist countries, the squabble is bound to damage international respect for the American decisionmaking process in world affairs.

The House already has contributed substantially to undermining national prestige by its meat-axe treatment of all aspects of foreign aid. But the current excursion into congressional obstructionism has nothing to do with the merits of foreign aid. It represents an effort mainly by the Republicans, under Minority Leader HALLECK's direction, to deny the President the discretion he needs to explore another possible bridge to improved East-West relations. The worst aspect of this assault on Executive flexibility in administering American foreign policy is its focus on what is essentially a side issue. It is ridiculous to paralyze the legislative process over a question that so clearly should be answered in the affirmative: Whether short-term credits should be made available to finance the sale of grain to Russia and other Communist nations when the President finds it in the national interest.

Conferees representing the Senate and House already have undone some of the restrictions the House had sought to impose on the President's freedom to guide U.S. policy on Government loans and other forms of aid to certain countries, including Poland and Yugoslavia. In this period, when both our allies and our adversaries abroad are seeking to evaluate the effects on our

foreign policy of the change in White House leadership, putting new curbs on the exercise of Presidential authority could inflict lasting harm to our position in a world of fast-changing power balances.

Redistrict Now

EXTENSION OF REMARKS OF

HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, December 23, 1963

Mr. MATHIAS. Mr. Speaker, the subject of congressional redistricting is of particular interest to me since Maryland is one of the States with unequitable division of congressional districts and is facing the possibility of electing all eight of its Congressmen at Large in 1964, in the event that the courts strike down the current district lines.

An editorial titled "Redistrict Now," appearing in the Washington Evening Star on December 21 points out that the Maryland Committee for Fair Congressional Redistricting has attacked the constitutionality of the State legislature's past actions on this subject and I was particularly pleased to note that Maryland's Attorney General Thomas B. Finan is supporting this action.

In the belief that the Star's editorial will be of interest to all Members of Congress, I insert here in the Appendix:

REDISTRICT NOW

Governor Tawes has been taking the relaxed position that the citizens of Maryland will have their opportunity in a referendum next November to vote the State's latest congressional redistricting scheme up or down. And that being the case, he says, why bother to drag the legislature back into the controversy at this point?

There is, of course, a very good reason, which is becoming increasingly apparent to nearly everyone but the Governor. For if the legislature does not evolve a more equitable division of congressional districts on its own, it is entirely possible that the courts will upset both the existing system and the inadequate revision which is up for referendum before the coming year runs out. If that should happen, Maryland could find itself electing all eight of its congressmen at large in 1964. In Texas, where the districting system is not vastly worse than Maryland's, a Federal court already has ordered at-large elections. And it is generally expected that Georgia's system, currently under scrutiny by the Supreme Court, also will be overturned.

The Maryland Committee for Fair Congressional Redistricting has been making these points in a series of pleas to Mr. Tawes—first to call a special session of the legislature, and more recently to bring the issue before the legislature at its session in February. All to no avail. Now, however, the Maryland committee has attacked the constitutionality of the legislature's past actions in a legal suit filed yesterday in Baltimore.

At the last reading the Governor was still unmoved. In a statement which was a welcome surprise, however, his old political ally, Maryland Attorney General Thomas B. Finan, has spoken out in terms cautiously supporting the citizens' committee's arguments.

Mr. Finan is not oblivious, of course, to the importance of keeping on the side of the

angels in the event he should find himself running for Governor next year. As of today, however, Mr. Finan is the top legal officer of the State. And the weight of his words will make it a good deal more difficult for the legislature to ignore the need to redistrict once again when they gather in Annapolis on February 7.

Germany's Reaction to Kennedy Death

EXTENSION OF REMARKS OF

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 24, 1963

Mr. O'HARA of Michigan. Mr. Speaker, on August 8, 1963, I had the privilege of inserting in the CONGRESSIONAL RECORD an article written by a German exchange student relating his impressions after spending a year living with an American family and attending an American high school.

The exchange student, who has returned to his homeland, is Jens Brueckner. While in the United States, he lived with the Herman Haedicke family of Imlay City, Mich. Mr. Brueckner attended Imlay City Community High School.

The Imlay City Times, in its December 13, 1963, issue, printed part of a letter written by Jens Brueckner describing his reaction and that of others in Germany to the tragic death of our late President Kennedy.

Mr. Speaker, I believe some of my colleagues may find Jens Brueckner's letter interesting and under unanimous consent I wish to place the excerpt from the letter, as it appeared in the Imlay City Times, in the Appendix of the RECORD:

GERMANY'S REACTION TO KENNEDY DEATH

Jens Brueckner, German exchange student who spent last year in the Herman Haedicke home, and attended Imlay City Community High School, recently wrote to the Haedicke family, following the assassination of President Kennedy.

Jens' letter follows, in part, telling of his reaction, and that of the German people, to the assassination of the President.

OLDENBURG,

November 30, 1963.

It was a deep shock last Friday when I heard about the assassination of the President. At first I just could not believe it, and when I heard that he was wounded, I surely thought that these wounds would not be mortal. The more I was shocked when the speaker announced after a period of silence, "Ladies and gentlemen, the President of the United States, John Fitzgerald Kennedy, is dead."

When I heard about the happenings in Dallas, I immediately switched to the AFN, an American station in Germany. They broadcasted all incoming news from Texas, described every detail, and so I got a very clear and accurate picture. All German radio programs were interrupted to present all news about the President.

It was a shock for the entire German people when they heard about the death of the President. You can say that no President was as popular as Kennedy here in Germany. Through his visit to Germany in June he won so many friends, and so many people felt as if a member of their family had died.

Stations did not present anything else but serious and solemn music and news from America. The regular program was interrupted until 1 day after the funeral. The funeral itself was broadcast too, and you could even see it on television through Telstar.

The days from Friday to Monday were days of national mourning. There was no sport, no movies, no dances, etc. You really can say that it was a shock for the entire nation, and that the people are really worried what the future will bring.

JENS BRUECKNER.

Show Sukarno the Big Stick

EXTENSION OF REMARKS

OF

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 24, 1963

Mr. DERWINSKI. Mr. Speaker, complications in foreign affairs continue to mount. Especially troublesome not only to the United States but to other free nations of Asia is the continued saber rattling of pro-Communist President Sukarno, of Indonesia.

The Chicago Sun-Times, in an excellent editorial in this morning's Tuesday, December 24, issue makes a practical suggestion as to how we might serve the cause of world peace by handling the problems caused by Dictator Sukarno. I insert the editorial into the RECORD at this point for the attention of the Members:

SHOW SUKARNO THE BIG STICK

President Sukarno, of Indonesia, has once more threatened that he will crush the fledgling state of Malaysia. This time he is embroiling his war talk with a boast that the presence of the U.S. 7th Fleet, "not even two or three 7th Fleets" would be enough to stop him.

The jingoistic statements of Sukarno point up the assessment of the situation in southeast Asia expressed by the editors of "Jane's Fighting Ships." The experts of that compilation of the naval strength of the world said of southeast Asia, where the naval ships of a score of nations prowl the waters: "A potentially explosive mixture; a small or rising nation could strike the spark."

Sukarno has had flint and steel in hand for months. His fear of the new state of Malaysia, a federation of Malaya, Singapore, and the northern Borneo territories of Sarawak and Sabah, is based in the belief that the federation is a front for continued British rule of the area and a direct threat to his dream of ruling all of Oceania. Sukarno's guerrillas have been active against the new state since it was formed in September and he threatens new moves today when he will issue a new command.

The time has come to be firm with Sukarno. His hysterical advocacy of war against Malaysia, his plans to rule all of southeast Asia are a menace to the peace of that explosive area.

Sukarno has a navy of sorts, largely obtained from Russia. He has renamed the Indian Ocean the "Indonesian Ocean" and has served notice that this is his mare clausum—his sea.

There is talk in Washington of making a peaceful sortie into the Indian Ocean with the 7th Fleet. India, deeply concerned with the potential of Sukarno's ambitions, says

it does not object to such a sortie. Let Sukarno compare his naval strength with that of the 7th Fleet.

There is merit in showing, at the right time and in the right place, the true extent of retaliatory power. The time appears to be at hand to confront Sukarno, as Premier Khrushchev was confronted, with the extent of the power he scorns.

Visiting Imprisoned Kinkfolk

EXTENSION OF REMARKS

OF

HON. CLIFFORD G. MCINTIRE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 24, 1963

Mr. MCINTIRE. Mr. Speaker, it is hard to understand why the hole that has been placed in the Berlin wall for Christmas cannot become a doorway of peaceful and free relations between the East-West areas of this city.

Unquestionably, there will be advantages to those who govern affairs of Eastern Berlin, for otherwise the situation would never have occurred—many in the world will be impressed by this apparent demonstration of brotherhood on the part of the Communist bloc, and Russia will extract a rich propaganda benefit from it all. Furthermore, those who live under the most austere and severe conditions in Eastern Berlin will be afforded the opportunity of sharing, in gifts received, the fruits of their more fortunate brothers. This should, for the time being, serve to relieve a little of pressures of discontent in the Eastern sector.

As all of this poses as a warm thought during this warm season, there is also a sad note of cruelty to it all, for Christmas is a short-lived thing. And after the season has gone, the shows of Russian discontent will blow to block the hole in the wall again, leaving those on the eastern side of the wall only the luxury of a thought on their brethren in the West.

How truly warm the season would be if somehow by some miracle the non-Christian Communist world proved at least humane enough to recognize that every man—regardless of his creed—is brother to his fellow man.

I insert into the RECORD an appropriate article from the December 19 issue of the Bangor Daily News:

VISITING IMPRISONED KINKFOLK

West Germans will be happy over the agreement which permits them to visit relatives in East Germany during the Christmas season. It offers a chance to see loved ones again, if only for a brief time.

But the agreement also underscores a tragic fact—that citizens living behind the Iron Curtain are prisoners of the state. No such accord—reached only after almost 2 weeks of wrangling—would have been necessary if the borders were open to free movement either way by civilians.

Instead, there is the Berlin wall and the miles upon miles of guarded frontier. No East German is allowed to travel to the West, the Communist rulers well knowing that few of them would want to return.

For those behind the Iron Curtain life is

much like being in a vast prison camp. The yuletide visits of their free-world kin are little more than sad visits to a prison.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1963

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD I would like to include my newsletter to my constituents for December 20, 1963:

FOREIGN AID STUDY A TREMENDOUS TASK—
(SUPPLEMENT TO FOREIGN AID NEWSLETTER OF AUGUST 24, 1963)

The House this week took its most determined stand to date against big foreign aid spending. In approving the foreign aid appropriation it cut \$1,700 million from the original budget request. The appropriation of \$2,801,700,000 as finally passed was reduced from the \$3,599,050,000 which was authorized just a few days earlier. The slash was due largely to the masterful report of the Subcommittee on Foreign Aid led by Congressman OTTO PASSMAN, of Louisiana. This study and report is one of the best prepared I have seen in my 9 years in Congress, and represents the finest type of constructive legislative work.

The Foreign Operations Subcommittee in its consideration of this bill conducted more than 800 hours of research and hearings. Testimony by officials of the executive branch and others resulted in over 11,000 pages of transcript. The 4 volumes of printed hearings contain 3,849 pages of testimony and related data and represent a most thorough examination of the budget estimates of the foreign aid program. (These statements give some idea of the effort that goes into committee work, the part of a Congressman's job which demands most of his time and attention. It is testimony to the care and thoroughness which is given to important legislation before it can be presented to the House for action.)

The hearings brought out many little known facts concerning foreign aid. Testimony showed that our aid program is being continued in countries where one of the following illegal action has occurred:

1. A dictator has taken over control of the country.
2. A military junta has overthrown a friendly government.
3. A president or premier has been assassinated.
4. A newly elected president has been prevented from taking office.
5. A monarch has been dispossessed by a rebel force.
6. Twenty-nine aid-recipient countries have experienced an illegal change of government during the period 1948-63.
7. Of these 29, Cuba is the only country which is not now receiving direct U.S. aid, although she does receive assistance from the United Nations.

Of concern to many is the attitude of some officials of our Government on foreign aid. This attitude is exemplified by the statement of William Kilg, Special Assistant for Economic Affairs, African Affairs, Department of State: "I do not think that our aid program has to be necessarily directed toward rather unrealistic policies of only helping our friends."

How on earth can Mr. Kling or the State Department justify using the hard-earned money of American taxpayers to help our enemies? Yet, this is exactly what we are doing in too many instances.

1. Of the 112 countries in the world, the administration contemplates granting of assistance during fiscal year 1964 to a minimum of 100 countries, territories, or possessions.

2. The proposed military assistance program alone envisages grant aid to 65 countries and credit assistance to 3 additional countries.

3. Aid is given to countries which first tried Communist-bloc assistance and after becoming disenchanted turn to the United States for help.

4. Aid is given to countries where the attitude of the official and semiofficial press and radio is anti-American.

5. Aid is given to countries indulging in unwise fiscal policies, deficit spending, and lack of self-help.

6. We continue our aid to five countries in Latin America which still maintain trade and diplomatic relations with Cuba.

7. Foreign aid funds in the pipeline (already appropriated and unexpended) amount to \$7.6 billion projected into fiscal 1964.

THE ISSUE: AID TO COMMUNISM

The issue which tied up the adjournment of Congress in bitter debate was the House passed amendment (218 to 169) to prohibit the U.S. Government from underwriting credit to Communist countries buying American goods, including the sale of wheat to Soviet Russia. After three attempts and by the Democratic leadership exerting every possible pressure on its members, the House approved the final report by 30 votes (189 to 159). With no regard to the political moratorium the Democratic leadership and the President charged the Republicans with "delaying tactics" and sitdown strikes against the bill." The fact is, the conference report had been voted down twice and many Members had left Washington to be at home with their families on Christmas. In an all-night session Friday, a long Saturday session, and a session on Monday, it was the Democrats who could not muster the votes, most of the Republicans had remained on the job or returned to Washington at the first call.

Now, what was the basis of our opposition to the bill?

1. We do not believe we should be doing business with Russia on any basis. Certainly we should not finance their ability to do business with us.

2. This bill, as all legislation, should have been decided on its merits. It was not, as charged by the majority leader, "a slap at President Johnson" to vote against the bill.

3. The bill makes it possible for the United States to extend credit to Russia with no collateral except the word of the Government of the Soviet Union and it has never honored its word or its agreements.

I could list many other reasons and will have more to say on our dealings with the Communists in the coming year. This will be the last newsletter until Congress reconvenes January 7. To all our friends, "Season's greetings."

OK—But Not Us

EXTENSION OF REMARKS OF

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 24, 1963

Mr. DERWINSKI. Mr. Speaker, I feel that Secretary of Defense McNamara

deserves the wholehearted support of the Congress in his efforts to produce economies in the Defense budget.

As a Representative from the Chicago area, I especially urge him to reject the protests made by a number of our colleagues from Chicago and Boss Daley of that city.

I am pleased to note and direct the attention of the Members to an excellent editorial in the December 20 edition of the *Suburbanite Economist*, an outstanding Chicago area publication, which I insert into the RECORD at this point:

OK—BUT NOT US

Most everybody believes taxes of all kinds are too high and that they can be reduced sharply without impairing services and endangering the city, county, State, and Nation.

President Lyndon B. Johnson also thinks so. So he is doing something about it. After consulting with Defense Secretary Robert S. McNamara, the President ordered 35 military installations closed. The reduction will eliminate 75,000 jobs and save \$900 million a year.

When one considers the Armed Forces still have 6,700 sites here and abroad, the closing of 35 is comparatively insignificant.

That is, by comparison.

But as soon as the news was announced, Congressmen and Senators of States which will be affected created a storm of protest. They charged communities near the sites will suffer unemployment and loss of business.

Some of our Congressmen have joined them. They are protesting the moving of the 5th Army Headquarters from the old Chicago Beach Hotel to Fort Sheridan for the same reasons cited by the other objecting Congressmen.

All of which now brings up an important question. How are taxes to be reduced unless payrolls and other expenditures are to be reduced? Or as the old saying has it, "You can't eat your cake and have it, too."

Why Not Save on Aid, Too?

EXTENSION OF REMARKS OF

HON. CLIFFORD G. McINTIRE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 24, 1963

Mr. McINTIRE. Mr. Speaker, economy truly is a unique concept today, particularly in a day and age when the expenditure of a billion dollars in Federal funds hardly invites the flutter of an eye lid—and President Johnson repeatedly has paid tribute to this unique and desirable thing called economy.

It seems to me, however, that President Johnson missed an excellent chance to effect economy in Government spending when the foreign aid bill recently was before the Congress. The President could have—by urging reductions in foreign aid expenditures—saved funds which very effectively could either have been put on our soaring national debt or applied as a saving on the budget that the President will be submitting to the Congress for fiscal 1965.

An article appearing on the editorial page of the December 19 issue of the *Bangor Daily News* appropriately and

deliberately deals with this subject, and I insert it into the RECORD for the convenience of my colleagues:

WHY NOT SAVE ON AID, TOO?

President Johnson's declaration early this week that a reduction in foreign aid spending would be dangerous can be taken with several grains of political salt.

He made the remarks after the House voted only \$2.8 billion, \$1.7 billion less than originally requested by the late President Kennedy. A larger compromise figure will probably be reached with the Senate, but still substantially less than what was sought by the Kennedy and Johnson administrations.

It seems to us the President is inconsistent in saying foreign aid must not be cut. He has called for cutbacks in defense spending and has urged every department of the Government to trim sails. Why should foreign aid be exempt?

Experience with foreign aid since World War II has shown that billions upon billions have been wasted. Some of the money has gone into boondoggling projects. Much of it has simply served to bolster the political if not the personal fortunes of leaders of aided countries, entrenching ruling classes while giving little if any help to the needy masses.

Money has been used in a futile effort to buy the friendship of neutrals.

And when it comes to worthy foreign assistance, it is time that our now prospering allies bear more of the burden. American taxpayers have shelled out more than \$100 billion in foreign aid, almost one-third of the towering national debt, since the war's end. Such a drain should not be allowed to go on and on indefinitely. The Nation has plenty of vast domestic problems for which money is needed.

The House was right. Foreign aid spending should be reduced and the huge bureau of some 60,000 persons handling the program reduced along with it. It has taken on all the appearances of being a bureaucratic racket.

Birthday Greetings to a Beloved Leader

SPEECH OF

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Saturday, December 21, 1963

Mr. MATSUNAGA. Mr. Speaker, if each of us who serve in this House was asked to name the most beloved Member among us, I have no doubts that there would be complete unanimity in naming the gentleman from Massachusetts, JOHN W. MCCORMACK, not because he is the Speaker, but because he is the man that he is.

Here is a wise man, possessed of commonsense in an uncommon abundance; a man of penetrating understanding, with the patience of Job; a kind man, whose mind is devoid of evil thoughts and whose heart reaches out with genuine compassion for his fellow men. This is my estimate of the man who celebrates his 72d birthday today, after having known him for a little less than a year.

Mr. Speaker, in behalf of the good people of Hawaii, and for myself, I extend to you birthday greetings and congratulations upon your attainment of 72

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 31, 1963
For actions of Dec. 27 & 30, 1963
88th-1st; Nos. 215
& 216

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HIGHLIGHTS: Senate agreed to conference report on foreign-aid appropriation bill and modified amendment on wheat, etc. Sen. Metcalf deplored campaign against REA. Rep. Cannon gave resume of appropriations this year. Rep. Anderson compared wheat trade with Russia and earlier trade with Hitler. Rep. Sikes criticized idea that wheat trade with Russia would help Communism. Rep. Widnall objected to credit for wheat trade with Russia. Both Houses adjourned until Jan. 7, 1964.

HOUSE - December 27

1. SUGAR. Received from this Department a proposed bill to suspend during the calendar year 1964 restrictions on marketing of domestically produced sugar under the Sugar Act of 1948; to Agriculture Committee. p. 24454

SENATE - December 30

2. FOREIGN-AID APPROPRIATION BILL. By a vote of 56-14, agreed to the conference report on this bill, H. R. 9499. Concurred in the modified amendment (earlier agreed to by the House) regarding Export-Import Bank credit in connection with trade with Communist countries. This bill will now be sent to the President. pp. 24379-407, ~~24445-7~~

As finally passed, the bill includes a provision as follows:

"Appropriations and other funds made available in acts making appropriations for the fiscal year ending June 30, 1964, shall be reserved and withheld from obligation through the apportionment procedure prescribed by law (31 U.S.C. 665) to the maximum extent possible, as determined by the Director of the Bureau of the Budget, on account of savings arising from enactment of any such acts after the beginning of such fiscal year. Nothing herein shall be construed to limit existing authority of law for reserving appropriations."

3. PUBLIC LAW 480. Both Houses received from this Department a report on agreements under Title I, Public Law 480. pp. 24408, 24378
4. GAO REPORT. Both Houses received the annual report of the General Accounting Office. pp. 24408, 24454
5. STOCKPILING; EXPENDITURES. Sen. Byrd inserted the report of the Joint Committee on Nonessential Federal Expenditures on the Federal stockpile, including agricultural commodities. pp. 24409-18
6. PERSONNEL; EXPENDITURES. Sen. Byrd inserted the report of the Joint Committee on Nonessential Federal Expenditures on Government employment and pay. pp. 24418-22
Sen. McGee inserted J. Edward Day's article defending economy in Government expenditures but opposing "penny pinching."
7. ELECTRIFICATION. Sen. Metcalf deplored the campaign of power companies against REA and inserted statements criticizing and defending the REA program. pp. 24427-9
8. FOREIGN TRADE. Sen. Anderson inserted Ambassador McKinney's statement explaining the balance-of-payments situation, etc. pp. 24431-4
9. ADJOURNED sine die (until Jan. 7, 1964). p. 24452

HOUSE - December 30

10. APPROPRIATIONS. Rep. Cannon gave a resume of the appropriations work of the 1st session, 88th Congress. pp. 24369-78
11. ADJOURNED sine die (until Jan. 7, 1964). p. 24378

ITEMS IN APPENDIX

12. LEGISLATIVE ACCOMPLISHMENTS. Extension of remarks of Rep. Avery listing his work during this Congress including joining other Representatives in propounding a voluntary wheat program and extending the soil bank program and mentioning his disapproval of permitting the guarantee of repayment of loans for the sale of U.S. commodities to Russia. pp. A7843-4
13. FOREIGN AID. Rep. Gary expressed his reasons for the compromise in conference on the foreign aid bill whereby the appropriation was reduced by \$900 million and a prohibition against the guarantee of credit to Communist countries was approved. p. A7848
14. ELECTRIFICATION. Extension of remarks of Rep. Harding inserting a brochure which he states is from the Idaho Power Co. to "misinform" the people of Idaho about the Bonneville Power Administration. pp. A7851-2

Senate

MONDAY, DECEMBER 30, 1963

The Senate met at 10 o'clock a.m., and was called to order by the Acting President pro tempore, Hon. LEE METCALF, a Senator from the State of Montana.

Rev. Edward B. Lewis, pastor, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer:

We give praise to Thee, O God of all nations, that there is this moment at the beginning of this session of the U.S. Senate to invoke Thy guidance and blessing.

We are grateful for the faith that is within us, given to us by Thee through our forefathers. We stand today because of their faith in Thee and in mankind. We stand in this moment of prayer thanking Thee for that faith we have in Thee and in Thy children throughout the world. That faith gives us the joy of living. That sometimes flickering faith gives us peace within, so that peace can be possible among all men of good will. Give these men and women a blessing of new faith.

We stand in the light of the hope we share today. Dark days have been ours in the past month; but we thank Thee for the sunshine of a new day, a new year, a new man that each of us desires to become. Our hope standeth sure. As we look to the brighter day when men shall find a surer peace, we know that it will come because we have not lost hope.

The year 1963 will go down in history, Heavenly Father, as a time when the people of these United States found their only hope at the altar of God. We pray Thy blessing of hope for these men and women who for 1964 shoulder such heavy responsibilities and make such far-reaching decisions. Quicken them with Thy presence and a never dying hope.

While we are mindful of the great, we are also aware of the greatest. We have been taught that the greatest is love—love for God and for our fellow men. Bless these leaders with this kind of love. Their concern and sincerity have caused them sleepless nights. May they be rewarded in this daylight with an answer found from those moments of darkness. Help them never to become falsely professional or impersonal. Instead, enable their decisions to be molded and balanced by the greatest force—love. We pray for faith, hope, and—the greatest of all—love.

Send Thy blessing upon the President of the United States, the leaders of all nations, the citizens of this land, and those of all other lands.

Under the shadow of Thy throne

Still may we dwell secure;

Sufficient is Thine arm alone,

And our defense is sure.

O God, our help in ages past,

Our hope for years to come,

Our shelter from the stormy blast,

And our eternal home.

Amen.

FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1964— CONFERENCE REPORT

The Chair laid before the Senate a message from the House of Representatives announcing its agreement to the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The ACTING PRESIDENT pro tempore. Under its order of the 24th instant, the Senate will now proceed to the consideration of the conference report on House bill 9499, the Foreign Assistance Appropriation Act of 1964, which the Senator from Rhode Island [Mr. PASTORE] will now submit.

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of December 21, 1963.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. MANSFELD. Mr. President, will the Senator from Rhode Island yield briefly?

Mr. PASTORE. I yield.

Mr. MANSFELD. I desire to make two statements. There will be some overlapping, but I believe I should make them at this time.

Mr. President, during the course of the meeting of the Senate on Tuesday last, it was indicated, or at least implied, that the reason why the Senate did not act on the conference report, which had been agreed to that morning by the House, was that a promise had been made by the leadership to the distinguished senior Senator from Oregon [Mr. MORSE]. Nothing could be farther from the truth. No promise was made to the Senator from Oregon, nor was any pledge requested by him.

The fact of the matter is that, as the leadership stated to the Senate on last Friday, December 20, and on Saturday, December 21, the Senate was notified that there would be a request for a live

quorum and a request for a rollcall vote on the question of adoption of the conference report. That announcement was made publicly, in response to a question raised by a Member of the Senate; also, it was stated to the leadership on both sides by Members of both parties that a rollcall vote would be requested on the question of adoption of the report. Because there was no definite assurance that the House would act on any given date last week, it was felt by the leadership that it would be advisable to allow the Senate to remain out of session for the remainder of last week, in the hope that, in the meantime, the House would resolve its differences and would dispose of the conference report one way or another.

It was stated specifically to the membership, and it is in the RECORD, that there would be a pro forma meeting only on Tuesday last, and that following that session the leadership would use its best judgment, taking into consideration what it considered the best interest of the Senate, as to when a final vote would be taken.

The leadership did not consult with every Senator on this decision, but it did seek the advice and counsel of a cross-section of the membership, after the House had made its decision. The result was that a decision was arrived at to call the Senate back into session today, for the purpose of facing up to a decision on the conference report.

My purpose in making this statement at this time is to clear the air, as regards the making of any demand, threat, or promise by the leadership to any individual Senator on either side of the aisle. Such was not the case. The responsibility lies with the leadership. The leadership assumed that responsibility, and made its decision known in good time to all the Senators. No blame or credit is to be attached to any Member of this body for the course of action we are taking today. My only purpose in rising at this time is to make very clear that we are meeting today, not because of what one Senator did or did not want, but because in the view of the leadership, all things considered, this was thought to be the best time.

Mr. MORSE. Mr. President, at this time will the Senator from Montana yield?

Mr. MANSFELD. I yield.

Mr. MORSE. I appreciate the comments of the majority leader. His never-failing fairness and his insistence upon stating the facts for the RECORD make him beloved by all other Senators. I appreciate very much the statement he has made.

Mr. MANSFELD. I thank the Senator from Oregon. One of the reasons—perhaps the main one—why I made the statement was that false allegations were

possible. At least, they work without the facilities and the staff available here.

The most dangerous thing which could happen to this country would be to continue the policies of the past 2 years, and to keep Congress in session most of the year, to keep Members of Congress insulated from their constituents and to keep their constituents insulated from them.

I confess gladly that I feel I need, and want, the advice of my constituents, when I go home in the fall and have an opportunity to travel over the entire State. If we continue the practice which seems to be an accepted policy in the Senate, of remaining in session the year-round, we shall go farther along the road toward destroying real representative government than by anything else we could possibly do.

I hope that, as we face the new year, we shall try to speed up the processes and get to work in order that Congress may adjourn at a reasonable time, so that Members of Congress will have an

opportunity to reestablish their contacts with the people at home.

It is not a question of building political fences; it is a question of knowing how to represent the thoughts and thinking of the people whom we individually represent.

So I disagree with my friend from Rhode Island only in one respect—that is, I think this meeting today—and I agree with the distinguished Senator from Nebraska—is entirely unnecessary. Nothing would have been lost. We have satisfied the demand of the President. We are here, each and everyone of us; let us act on the bill.

Mr. ALLOTT subsequently said: I have prepared a very simple tabulation of various items in the foreign aid report showing the action of the House, the Senate, and the conference. I ask unanimous consent that it be printed in the RECORD at the conclusion of my former remarks.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

H.R. 9499—Conference report recapitulation

Item	Conference report	Senate	House
Development grants.....	\$155,000,000	\$175,000,000	\$150,000,000
International organizations.....	116,000,000	130,903,000	100,000,000
Supporting assistance.....	330,000,000	380,000,000	300,000,000
Contingency fund.....	50,000,000	32,900,000	50,000,000
Inter-American social and economic cooperation.....	135,000,000	180,000,000	100,000,000
Alliance for Progress (loans).....	375,000,000	425,000,000	350,000,000
Alliance for Progress (grants).....	80,000,000	100,000,000	80,000,000
Development loans.....	687,300,000	800,000,000	600,000,000
Military assistance.....	1,000,000,000	977,700,000	1,000,000,000
Peace Corps.....	92,100,000	98,100,000	89,000,000
Administration expense.....	(19,900,000)	(20,300,000)	(19,500,000)
Ryukyu Islands—administrative information expense.....	2,300,000	2,300,000	2,000,000
Assistance to refugees in the United States.....	39,717,137	39,717,137	56,000,000

Mr. HOLLAND. Mr. President, will the Senator yield briefly?

Mr. PASTORE. In just a moment.

I am referring now to page 388 of the hearings. The title of that subsection is "Effect of Postponement and of Action." It reads:

Senator PASTORE. The House has not reported out its bill yet? If this thing goes over until January, what will be the situation? Can you give us your reaction to that?

Mr. BUNDY. I can say it is not exactly administratively easy at this point because we are losing time and we are going to have more unexpended balances and other problems because we can't obligate funds for the major programs until we are sure where we stand.

Senator PASTORE. Would you venture an opinion how important it is to pass this bill before January?

Mr. BUNDY. I think it would be of the greatest possible help to us, sir. You can imagine the position we are in at this point, trying to develop a fiscal year 1965 budget, trying to plan procurement, and above all trying to get this money to work. We are careful about spending and should be.

Senator PASTORE. How about the difference between these December and January?

Mr. BUNDY. It would still make a very considerable difference.

Senator PASTORE. It would?

Mr. BUNDY. It really would.

That is the answer that was given to the committee at that time. It was followed up by that of Secretary Rusk, and it was followed up further by the state-

ment of General Taylor, Chairman of the Joint Chiefs of Staff. They made it abundantly clear that a delay would be expensive, because they would not know where they stood. The continuing resolution was based on a \$3,900 million amount and the bill that is being acted on is to be in the amount of \$3¼ billion. Therefore, these people did not know how far they could go in committing and obligating moneys over and above that amount. I call attention to the fact that under the military assistance program, procurement is made together with military procurement for the Army, Navy, and Air Corps, and a better price is obtained in buying what is needed at one time.

That was the reason why the Senator from Rhode Island made it his business to hold hearings on the bill before it was reported out of the committee of the House.

The mere fact that the House was late is no excuse why the Senate should be dilatory. The bill was passed in the House on December 16, and was reported by the Senate Appropriations Committee on December 17, on the same day it was referred. That is unusual. It was done because the Senator from Rhode Island thought it was necessary to have expedited action on it.

Mr. HRUSKA. Mr. President, will the Senator yield briefly?

Mr. PASTORE. I yield.

Mr. HRUSKA. Let me say that Senators have cooperated, not only by attending the committee sessions, but when it was called up in the Senate on the following day for consideration, no Senator objected to its immediate consideration. Had a Senator done so, it would have been necessary for a 3-day layover under the rules and the Senate could not have proceeded to consideration of the bill until Saturday. So we also cooperated.

This is the 183d day after July 1, the beginning of this fiscal year. There are 8 days until January 6, 4 of which are not working days. If that number of days makes such a difference to the administration of foreign aid, it must be in far worse condition than those who have criticized and talked against it have said.

Mr. PASTORE. I appreciate that the Senator, as a member of the Appropriations Committee, has cooperated. All I am asking him to do is to cooperate today, to get our business done, because it is absolutely necessary. I want to read one paragraph from page 391 of the hearings. It was General Wood talking:

PURCHASING PROBLEM

General Wood. It is a little more than a nuisance, sir. For example, the military departments make all of our purchases. We don't have a purchasing agency. They try to tie in large purchases, trucks, personnel carriers, tanks, airplanes, with their own purchases and thereby get the benefit of a better cost.

That was the testimony before the committee. That is the testimony that calls for the action we are taking here today.

I commend both the majority and minority leaders for the way they have conducted the business of the Senate, particularly on the foreign aid bill.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I happen to be one of those Senators who, a week ago last Saturday, expressed the opinion that there was no need to pass the foreign aid appropriation bill now. I used words such as "whimsy" and "fancy" in referring to the idea that it had to be done now.

The Senator from Rhode Island has read certain statements from the hearings on the bill, and from them he has concluded that it is absolutely necessary to pass the bill today; and that if we do not do it, it will cost more money. I did not make the statement I did a week ago last Saturday without taking into account the possible cost. With all deference to the Senator from Rhode Island, who has done much hard work on the bill and has expedited action on it, I disagree with his reasoning as to why we would lose money if the bill were not acted on today.

The AID administration knew, on December 20, that they were not going to get more than \$3 billion plus the \$250 million carryover. I find it inconceivable, if action on the bill were delayed from December 20 or 30, to January 6, that anybody in AID would spend more money than at the rate of \$3,250 million. They knew the amount was fixed. The

only question was when Congress would act on the bill. I cannot believe any effective administrator would go ahead and spend money at a greater rate in the face of that fact. So if action were delayed until January 6, as the Senator from Nebraska has suggested, it would not cost more money at all.

What we have been doing however, has cost money, not only to individual Members of the Senate and the House, but to staff members. There has been a great deal of unnecessary expense in forcing action on this bill now.

If it had been necessary, I do not know of any Member of the Senate or of the House who would not have been happy to work on Christmas Day. I do not think it is necessary to act on this bill now. I do not want the RECORD to indicate that if action were delayed until January 6, it would cost the Government any more money.

Mr. PASTORE. The Senator is entitled to his opinion. I disagree with him. He disagrees with me. It is not the first time. It will not be the last time. I repeat, every day of delay means additional cost. I do not care who states otherwise—it will cost more money. That is the statement I make. That is the statement that has been corroborated by witnesses from the Agency whose duty it is to carry out the program.

Mr. MILLER. The statements at the hearing were made before the amount was agreed upon by the conference committee. I would not have quarreled with those statements under the circumstances in which they were made, but once the amount of money was settled on by the conference committee, anyone in AID who would spend more money than at the approved rate would not have used very good judgment.

Mr. PASTORE. The Senator has been in the Senate long enough to know that not a single Government agency can know for certain what the Congress is going to do. The mere fact that we were talking about \$3 billion is no authority for any agent to begin spending money until Congress passes the bill. I never heard of a more ridiculous argument.

Mr. MILLER. I suggest that if this matter were settled by the conference committee, anyone in the AID administration would be foolish to make any commitments beyond the \$3 billion figure.

Mr. PASTORE. But no one in the AID administration would have legal authority to do that. He would have no right to take any figure until the bill had been passed.

Mr. MILLER. He certainly should have the good sense to not exceed the \$3-billion figure. That is the point I am making.

Mr. PASTORE. The only right he has is contained in the continuing resolution, which gives him the authority to spend money according to the appropriation of last year.

Mr. MILLER. That is correct. However, he does not have to use that authority. It would be foolish indeed for him to go over the \$3 billion figure.

Mr. PASTORE. That is entirely apart from the point I make. He would have no legal authority to do so. The Senator from Iowa knows that the AID administrators cannot exceed that authority.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HOLLAND. I wish to supplement what was stated a few moments ago by the distinguished Senator from Colorado [Mr. ALLOTT], about the unnecessary delays which have occurred in the other body.

The conference report on the agricultural appropriation bill was adopted in the Senate at 6:30 a.m. on December 21. That bill carries an appropriation of approximately six and a quarter billion dollars. I want the RECORD to show the fact that on September 30 the Senate passed the agricultural appropriation bill and appointed conferees. The other body allowed that bill to languish on the desk for 6 weeks without appointing conferees. It appointed conferees on November 14. This is another example of long delays in the other body that we have experienced in the handling of appropriation bills.

I want the RECORD to show that fact, because, as the Senator from Colorado has correctly stated, inaction in the other body has accounted for long delays in the handling of appropriation bills.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. COOPER. I made some remarks on December 24th which I believe I should repeat. I believe the conference report should be adopted today—before the first of the new year, because—to use a word which we use in Kentucky—it would be “trifling” to wait until 1964 to pass a bill which is scheduled to pass in 1963. It would have been better if the Senate had worked on the conference report on the 23d when we were called into session. Everyone knew that the House would be called back on the 23d and that it would act upon the conference report and we could have completed our work on the same day.

It would have been more reasonable to have stayed here through the 23d or 24th and acted on the conference report.

I believe it is somewhat negligent on our part if we do not pass the appropriation bills earlier and in the session they are supposed to be passed.

The important thing now is to prevent this situation from occurring again. There are some practical measures, that could be taken early in the next session. First, we could adopt a rule which the Senator from Rhode Island is sponsoring, with other Senators, including myself, the rule of germaneness in debate.

The Senator's resolution provides, that for at least 3 hours after a bill or resolution becomes the pending business of the Senate, debate shall be germane. The adoption of such a rule would speed up the work of the Senate and create greater interest in the debate. I hope the proposed rule will be adopted in January 1964.

Mr. PASTORE. I am in complete agreement with what the Senator has said. It is regrettable that the House took as long as it did. However, there is nothing we can do about it. Certainly we have no jurisdiction over the House. They chose to act in that way. However, that situation does not excuse any delay on our part. We should be diligent.

The point has been made that we should have come back on the 26th of December. I suppose the leadership did not want Senators to leave their warm turkey on the table and start jumping into planes to get here. To have come back here then would have been all right with the Senator from Rhode Island. He was ready to act on the 23d, or 24th, or 25th, or 26th. However, that was the decision made by the leadership, and the leadership has been trying to do the best it can, not merely to accommodate every Senator. It is their decision that the Senate meets today.

Mr. COOPER. I believe the conference report should be adopted today. That is my first suggestion. It would have been better if we had remained here on the 23d and the 24th and acted upon it. However, I wish to address my remarks for a minute to an important point—that this situation should not recur. Congress is under criticism for delaying action upon legislative matters. I have said that I believe we should adopt a rule of germaneness in debate. The adoption of such a rule would bring about a great deal more interest in debate, and would speed up our work on the Senate floor.

I also suggest to the leadership that in the coming session something should be done about scheduling consideration of matters by the Senate, in the first month of the session. We need not every day, when there are no bills to be debated. I would suggest that 3 days out of every week be given over to the work of the committees. If this were done, committee sessions would not be limited to 2-hour meetings, from 10 a.m. to 12 m. in the morning, and they could sit from 10 to 5 on every one of the 3 days. Bills could be considered and acted upon by committees, and the Senate could proceed with its work on the floor. A great deal of delay occurs in the first 3 or 4 months of the session of the Senate, and I hope something can be done about this situation.

Mr. JAVITS. Mr. President, I have come back from as far away, I believe, as anyone could come back to the Senate. I have come back from the west coast of Mexico. I am glad that I did, because the Senate as an institution is very dear to me, as it is dear to the Nation.

I have a very deep feeling, based upon contact with many New Yorkers and Americans in other States during the year, that there is a great need to keep this institution high in the public esteem, because Congress standing has suffered seriously in the eyes of the American people, and that feeling of respect of the people for the Congress is perhaps as important as what is set out in the Constitution itself for the Congress to do.

The least any of us can do, therefore, is to do our very best to maintain the distinction and honor we have by doing our business promptly and with expedition.

I agree with what the Senator from Kentucky has said about the resolution on germaneness of debate for some hours in each day of the Senator from Rhode Island. I hope that also a resolution providing for a commission to make a review of the procedures of Congress will be adopted, and without limitations as to the area of its inquiry, so that Congress may be able to act and proceed in the way in which the people of the country want our business to be transacted.

Finally, I am glad to have come back, because if this situation signalizes the importance which foreign aid continues to have in the eyes of the Senate and of a majority of the people of the Nation, it is a good thing. It is the only real offensive—as distinguished from the defensive—we have against communism in the world. Until someone proposes something better—and I am trying to do that myself through efforts in connection with the private enterprise system, under provisions now incorporated in the bill—to carry on this program we must carry it on with vitality and conviction. One of the ways of showing conviction is by coming back, when necessary, and in so difficult a way for many of us, in order to conclude action on the bill before the year ends. So I commend the Senators in the conference. I am glad that I have returned to be a party to completing the task in the way in which it ought to be done.

Mr. DIRKSEN. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield to the distinguished minority leader.

Mr. DIRKSEN. I wonder if we can now "get the show on the road" and complete the work that brought us back.

Mr. PASTORE. No greater mark of respect and admiration could be shown to our leadership, both majority and minority, than to say we transacted our business expeditiously.

Mr. HICKENLOOPER. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. HICKENLOOPER. This discussion is very interesting and probably will contribute much to the thinking of many Senators. But perhaps we are missing the point. So far as I am concerned, I shall not beat my breast and say what great sacrifices I have made. I have been available practically all the time. I took 2 days off at Christmas because Congress was not meeting. Unfortunately, I did not spend Christmas with my grandchildren. Otherwise, I have not been greatly inconvenienced by this situation. I have been ready to act at any time. That is a part of the job. That is what I am paid for. I have been willing to be here. It was not necessary for a Presidential plane to go around over the country to pick me up somewhere or to take me home. So that part of the situation is completely extraneous, so far as I am concerned. We are beating our breasts, dressing ourselves in sackcloth, and throwing ashes

over ourselves as a Congress when we should not be required to do so.

Congress is a great institution. It is composed of representatives of the people. The delays which have occurred at this session have not been solely the responsibility of Congress or the leadership. The delays have occurred because programs have been suggested and some influential efforts have been made by sources other than Government to compel Congress to accept programs it does not want to accept. That is what has caused the delays, in many instances, in Congress this year. It is not that Congress is impotent or cannot act; it is that Congress has been, in effect, albeit quietly, exerting its own resistance to programs which, in many cases, Congress and the people of the United States do not want to take up under compulsion, if you please, and political pressure. If one wishes to analyze the delays that have occurred this year, let him not blame Congress entirely.

The newspapers have been full of stories about the terrible roadblocks thrown up by the great ogre of the Republican membership of Congress. Heaven bless them. The Republicans must be mighty mites, indeed, if they can block the two-to-one majority that the Democrats and the administration have in Congress. But, oh, how the columnists and newspaper reporters bleed because the awful Republicans are standing, apparently like Horatius at the bridge, to block the progress which is being demanded. I wish the Republicans were so powerful.

I have one suggestion. I hope the report can be agreed to today. We talk about the dangers of communism in one breath, and in the next breath we help the Communists by providing them with the credit of the Federal Government. That has been the principal trouble with the report. We help the Communists, in one breath, and we criticize them in the next.

But let us "get the show on the road" and get the bill out of the way. I am ready to vote.

SEVERAL SENATORS. Vote! Vote!

Mr. HICKENLOOPER. That calls for 15 minutes more of speaking on my part. I am sorry I have taken so much of the time of the Senate this year in lengthy debate. I apologize for that.

Mr. PASTORE. The Senator from Rhode Island has yielded to the Senator from Iowa.

Mr. HICKENLOOPER. I have but one further comment to make. As I have said, I want to "get the show on the road." However, one thing should be apparent—and this is my personal view: Congress and the people are unhappy, concerned, and confused about foreign aid. It is not necessary to argue that point.

The President has proposed to establish a self-purging or self-investigating body in the Department of State to examine the foreign aid structure and to report back by January 15. Does the speed with which this administration is acting—or with which any other administration could act—indicate that such a body could possibly report back

any kind of intelligent opinion and result by January 15? Of course it could not. It will be a self-policing group of estimable gentlemen in the State Department. How much will they be able to criticize themselves concerning the things that need to be criticized in respect to foreign aid?

While we did not agree fully on all the verbiage, the Senator from Kentucky [Mr. COOPER] proposed a most proper and helpful series of amendments designed to investigate the foreign aid program. I suggest that in addition to any consideration which we gave to the amendments offered by the Senator from Kentucky, we now consider the establishment of a committee—probably a joint committee—to consider the verbiage, because this suggestion at the moment is off the top of my head, and probably sounds that way. Nevertheless, I suggest that we consider the establishment of a committee of Congress—a small committee—to examine into the feelings and the attitudes of Members of Congress concerning the foreign aid program. As a result we should have a better picture of the program next year, together with the feelings of Members of Congress. Then it will not be necessary to become involved in emotionalism in debate on the floor of the Senate or in committees. By avoiding emotionalism, next year we can consider the soundness of the program and its details.

If something like that is not done—if Congress itself does not create a self-examining group—that is what I am suggesting, and I hope the verbiage can be prepared a little later—there will be a repetition next year of the situation we have had this year. It is in this way that I believe Congress can help itself to expedite action in the field of foreign aid.

Mr. PASTORE. The Senator from Iowa has proposed an excellent idea. I do not know why the proposal that he makes could not be handled by the Committee on Foreign Relations. It is the responsibility of that committee to deal with the foreign aid authorization. There ought to be an investigation, and the Committee on Foreign Relations ought to undertake it.

Mr. HICKENLOOPER. I suggest this proposal in full awareness of the fact that foreign aid is the primary responsibility of the Committee on Foreign Relations and the Committee on Appropriations.

Mr. PASTORE. The investigation could be a joint venture.

Mr. HICKENLOOPER. Conducted by the two committees of the Senate and the two committees of the House. Perhaps it would be helpful if, in searching for the attitudes, opinions, and orientation of Senators, the investigation were enlarged a little, so that it would not be confined exclusively to those committees for the purpose of sensing opinions and sensing attitudes.

Perhaps there is nothing to the idea. Perhaps it is too unworkable or impracticable, but I am giving it some thought; and in the future I should be delighted to talk to the Senator from Rhode Island

[Mr. PASTORE], the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the committee, and other Senators. I believe we can save a great deal by a little preliminary work, at the beginning of the new session, on the attitude as to how far we should go and what we should do, because certainly I do not wish a repetition of the confusion which has obtained this year in the minds of Senators as to how far we should go and what we should do on the subject of foreign aid, whether it is good, bad, or indifferent.

Perhaps we can answer many of the questions prior to the time of emotional debate on the floor of the Senate or the House.

I thank the Senator from Rhode Island for his courtesy in yielding to me.

Mr. COOPER. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. COOPER. The senior Senator from Iowa [Mr. HICKENLOOPER] has referred to a proposal which I have made for 2 years, and I appreciate his reference to it. I am not a member of the Foreign Relations Committee, but I have supported foreign aid. I support it because I believe it is a necessary arm of our foreign policy, when used effectively.

But for 3 years, I have insisted that an independent evaluation must be made of our aid program if it is to survive. In my view, the cuts were inevitable; and I voted for them because I did not believe the Congress or the country had information upon which to make a correct evaluation of our foreign aid program.

Last year, I proposed that the foreign aid program be evaluated by independent groups drawn from the public as well as from the Government. That proposal was adopted by the Senate, but it was stricken by the House.

This year, I again proposed the same amendment, and it was adopted by the Senate by a vote of 79 to 1. Although the amendment was somewhat eviscerated in the conference, the report does authorize the President to appoint committees, from the public, to evaluate the foreign aid program either in specific areas or in specific countries.

I believe that unless this evaluation is made, the foreign aid program will be ended. I do not believe it would be right for it to be ended totally because in certain countries and areas of the world our aid is needed.

I have stated that I believe the President of the United States has made a good start by appointing an interdepartmental committee to examine the foreign aid program, but I noted that its examination was directed chiefly to the structure of the foreign aid agency. There have been 5 of these agencies since the Marshall plan, and 11 administrators. I still contend that the work of the Clay Committee, which had broad scope, must be extended. It should be extended to specific areas and to the 15 or 16 countries which receive one-half of our total foreign aid appropriations.

I had a rather unusual experience this year: After I had submitted my amendment, representatives of the foreign aid

agency came to see me. They wished to have me explain the purposes of my amendment.

I told them frankly that I did not believe it is sufficient to have only the foreign aid agency report on the aid program. It may not be a just and fair response, but it is evident that neither Congress nor the people are very much convinced by the reports which the foreign aid agency makes. I further stated that unless there is an independent evaluation extending the work of the Clay Committee, I believe the foreign aid program would die. One of the representatives of the foreign aid program then, and I make it clear it was not Mr. Bell, said to me: "We do not want some one looking over our shoulder."

I said that it is not their program, but is the program of Congress and the country, and is designed to give strength to the President's arm in the conduct of our foreign policy.

I repeat what I said: "I think that the aid program is going to die, although it should not die in the countries where it is doing good and can continue to do good. But it is going to die unless an independent evaluation, along the lines of the Clay Committee report, is made of its operations in specific areas and countries."

In the long debate on this subject—the first thorough debate on it, which I have heard since the Marshall plan was adopted—the Senator from Oregon who is chiefly responsible for the debate, stressed this necessity. I believe the new President of the United States has a great opportunity. If he will obtain an independent evaluation of our aid program, it can be made more effective and it will gain the respect and the cooperation of the countries we aid.

From his experiences in the Senate, and from the informed reports he made to Members of the Senate after returning from trips, as Vice President, President Johnson has great knowledge of the practical working of our aid programs; and I believe he will insist that it be effective.

If independent assessments are made, and basic information provided, Congress and the people will know whether our program is valuable, and in what countries it is valuable.

In this connection with my remarks, and with this debate, I ask unanimous consent that three articles, one from the Washington Sunday Star of yesterday, and two from the Washington Post of yesterday and today, be inserted in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Star, Dec. 29, 1963]

COOPER SPURS ADDED STUDIES OF FOREIGN AID

Senator COOPER, Republican, of Kentucky, told the administration last night that, unless it provides an independent appraisal of foreign aid, the program will be abolished by Congress.

Senator COOPER, in a statement setting forth his views for President Johnson, commended the President for setting up an interdepartmental committee to seek ways to

bring new efficiency and economy to the program.

But he insisted its work should be supplemented by country-by-country foreign aid studies by businessmen and others from outside government.

GREAT IMPACT

Senator COOPER said that a Presidential Commission headed by Gen. Lucius D. Clay made a "great impact on the country in its evaluation of the total foreign aid program" early this year.

He added that its work should be followed by the President's appointment of small committees of three to five members, a majority drawn from private life, to provide Congress and the country "full and objective information concerning the effective use of aid funds in individual areas." He said such committees could work under the direction of the Clay group.

Senator COOPER's views were supported in separate interviews by Senators PROXMIRE, Democrat, of Wisconsin; MORSE, Democrat, of Oregon; and HICKENLOOPER, Republican, of Iowa; the latter the senior Republican on the Senate Foreign Relations Committee.

SENATORS RECALLED

Senators have been called back from their Christmas holiday vacation to a 10 a.m. session tomorrow to complete congressional action on a \$3 billion foreign aid money bill, slashed \$1.5 billion below the \$4.5 billion requested by the late President Kennedy.

Passage of the bill, which includes a controversial amendment giving President Johnson authority to approve credit guarantees on wheat and other sales to the Soviet bloc, will clear the way for Congress to adjourn. It will reconvene January 7 in a new session.

Mr. Johnson has set up a review of the objectives and organization of the foreign aid program by a Government committee headed by George W. Ball, Under Secretary of State.

Senator COOPER said he is glad Mr. Johnson has asked the Ball Committee to consider structural changes in the Agency for International Development. However, he added:

"But the important issue before Congress and the country is not so much the structure of aid but whether foreign aid appropriations are effectively used in the countries we aid."

REVIEWS STRESSED

Senator COOPER feels that reviews should be made on a country-by-country basis in the 15 to 20 countries that receive half of the total economic aid to determine whether (1) American assistance is meeting development needs, (2) beneficiary countries are providing maximum self-help, and (3) programs which do not further these objectives are being eliminated.

The Senate has twice adopted Cooper amendments aimed at this purpose.

This year's amendment provides authority for the President to appoint such committees.

Senator PROXMIRE said the appointment of the Ball Committee is wonderful but that he hopes its work will be supplemented by "a more profound and objective appraisal" by outstanding private businessmen, university people and other experts.

VESTED INTEREST

"After all, governmental people have something of a vested interest in the program," he told a reporter.

Senator HICKENLOOPER said an investigation by outsiders is important and could provide a real benefit. He added that, under the governmental setup, "the State Department and the AID agency will be looking into themselves."

Senator MORSE, a supporter of the Cooper proposal, said he fears any move to make "the executive supreme."

"Congress has a duty to take a long, hard look at any program the executive submits," he added.

[From the Washington (D.C.) Post, Dec. 29, 1963]

FULL-SCALE AID PROBE DEMANDED—SENATOR COOPER ASKS INDEPENDENT LOOK INTO USE OF FUNDS

(By Ernest B. Vaccaro)

Senator JOHN SHERMAN COOPER, Republican, of Kentucky, told the administration last night that unless it provides an independent appraisal of foreign aid, the program will be abolished by Congress.

COOPER, in a statement setting forth his views for President Johnson, commended the President for setting up an interdepartment committee to seek ways to bring new efficiency and economy to the program.

But he insisted its work should be supplemented by country-by-country foreign aid studies by businessmen and others from outside Government.

COOPER said that a Presidential Commission headed by Gen. Lucius D. Clay made a "great impact on the country in its evaluation of the total foreign aid program" early this year.

URGES SMALL COMMITTEES

He added that its work should be followed by the President's appointment of small committees of three to five members, a majority drawn from private life, to provide Congress and the country "full and objective information concerning the effective use of aid funds in individual areas." He said such committees could work under the direction of the Clay group.

Mr. Johnson has set up a review of the objectives and organization of the foreign aid program by a Government committee headed by George W. Ball, Undersecretary of State, to consider revamping assistance criteria.

COOPER said he is glad the President has asked the Ball committee to consider structural changes in the Agency for International Development (AID). However, he added:

"But the important issue before Congress and the country is not so much the structure of aid but whether foreign aid appropriations are effectively used in the countries we aid."

His views were supported in separate interviews by Senators WILLIAM PROXMIRE, Democrat, of Wisconsin, WAYNE MORSE, Democrat, of Oregon, and BOURKE B. HICKENLOOPER, Republican, of Iowa, the latter the senior Republican on the Senate Foreign Relations Committee.

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ADJOURNMENT IN SIGHT

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[From the Washington (D.C.) Post, Dec. 30, 1963]

JOHNSON GAINED AID-BILL SUPPORT AFTER ASIA TRIP

(By Helen Fuller)

The enthusiasm would not last until the votes were taken on the Kennedy foreign aid bill for 1962, but Lyndon B. Johnson did his part to stir up the opinion makers who influence Congress.

The week President Kennedy returned from his talks with Khrushchev in Vienna with an aching back, United Press International editors from all over the country were assembled in Washington for their annual meeting, and the National Conference of Mayors was gathered in the Capital to discuss plans for civil defense. The President was scheduled to address both groups.

Kennedy made his speech to the editors, and the announcement the following day of the seriousness of his back ailment explained why it had been pallid. Johnson appeared before the editors on the following day, as scheduled, and subsequently he substituted for the ailing President before the Conference of Mayors. At both appearances, he stirred his audience with unaccustomed eloquence.

His journey, he said, had convinced him that "never has it been more important that the Congress and the American public support the efforts of free Asians to banish the curse of poverty, illness, and illiteracy. I know that, given something for which to fight, the people of Asia will man the ramparts of freedom with valor. But you know, as they know, that people do not fight in the steaming jungles to preserve hunger, squalor, and oppression."

He told that most provincial group of men, the mayors of the United States, that America must lead the world or "shrivel up." And when he had delivered a ringing call for foreign aid, citing as a model his own backing of Eisenhower's foreign policy in the 8 preceding years, "The mayors and their wives," a Scripps-Howard correspondent reported, "gave him a ringing, standing ovation, almost as fervently as if he had come out solidly for turning all income tax revenue over to the cities."

MRS. JOHNSON HELPS

Mrs. Johnson helped bring the story to the editors' wives. Instead of entertaining them at an ordinary tea, she enlisted 50 of the best known and most glamorous women in Washington, including embassy ladies and the wives of Cabinet members, and introduced them to the women whose husbands had been meeting every major male celebrity in town during the week, and rounded out the party with a little speech about where she and the Vice President had gone in Asia and what they had learned.

The Johnsons had turned their Asian trip into good public relations for the Kennedy foreign policy. Dick and Pat Nixon had done the same for Eisenhower; but in the new Kennedy scheme, Johnson had, as Nixon did not, authority to move from advice to action.

The Vice President naturally had paid special attention to his relations with the new civilian chiefs in the Pentagon. He and the new Secretary of Defense liked each other from the start; then Secretary of the Navy John Connally had been Johnson's manager in his senatorial campaigns; and after his years of specializing in military affairs the Vice President found the labyrinthine Pentagon no mystery.

When he returned from Asia, therefore, the Vice President, without announcement, sat down in Secretary Robert S. McNamara's office with the Secretaries of the Army, Navy, and the Air Force, and the Joint Chiefs of Staff, to talk about improvements that could

be made in our military missions and in their relations with ambassadorial staffs.

The Pentagon bought some of Johnson's ideas. The President listened to his recommendation that budget watchdogs be sent into the field to keep track of the actual expenditure of foreign-aid funds from the point of appropriation to the point of actual spending. The U.S. Information Agency and the International Cooperation Administration also had the benefit of his not very new advice: Better people are needed overseas.

Ambassador John Kenneth Galbraith, reckoning on the Vice President's desire for effectiveness, managed to squeeze another dividend from Johnson's Asian visit. Trampling through an Indian village with Galbraith, Johnson had been reminded of his first memory of electric lights in Johnson City, Tex. The electricity had been produced by a kerosene generator.

Talking to the Vice President in Washington several weeks later, the Ambassador asked Johnson if he could remember who made that generator. If it was still in production, perhaps the United States could help light some villages in India without waiting for large-scale electrical development.

The Vice President, who recalled seeing the name "Fairbanks" on the generator, made personal inquiries and learned that the remarkably simple and rugged machine was still in small-scale production by Fairbanks-Morse & Co.

After a survey of the generator's potential usefulness in India, some alterations were made to adapt it to deep-well pumping and units were ordered for a pilot project of pumping water and lighting homes in small Indian villages.

ROLE WAS STRATEGIC

All of this was pleasant and satisfying to Johnson's ego. But where the President really needed help was at the Capitol. Here Johnson wanted to be careful to avoid any accusation that he was interfering in the affairs of the Senate. He sized up the situation and the individuals concerned—as he had always done as Democratic leader. But then, instead of taking direct action, he went to the President or to members of his staff with advice and counsel on how to proceed to get the votes.

In some cases, to be sure, the situation was direct, but for the most part Johnson's role in the drive for a new kind of long-term aid to nations overseas was strategic rather than operational. He was there to be consulted when the majority leader wanted to consult him, but he was, so to speak, no longer the oil driller but the prospector who points out where to drill.

And the reality of his shift from legislative manipulator No. 1 to No. 2 man in the executive branch was made clear when, in the midst of the congressional battle over foreign aid, the President dispatched the Vice President to Berlin.

Khrushchev had confounded U.S. policymakers by making a move for which they had planned no countering action. We had concentrated on how to deal with another Berlin blockade if the Communists sought to cut off the West Berlin again, as they had in 1948. But when, instead, the Communists sealed the border between East and West Berlin early on Sunday morning, August 13, Washington, as Walter Lippmann wryly observed, "had no policy to deal with what actually happened—unless sending the Vice President and General Clay to West Berlin can be called a policy."

Mr. MORSE. Mr. President, while so many Senators are in Chamber I should like to ask for the yeas and nays on the

question of agreeing to the conference report. We are trying to work out a unanimous-consent agreement in that connection. Therefore, I request the yeas and nays.

Mr. PASTORE. Mr. President, I join in the request for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President—

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, the Senator from Kentucky [Mr. COOPER] was very accurate in his estimate of the situation—namely, that no agency of Government which is under criticism or no combination of agencies of Government which are under criticism can successfully investigate itself or themselves and have the results of that investigation accepted by Congress or by the public.

The amendment of the Senator from Kentucky, which provided for an independent evaluation of foreign aid, was lost in the conference, after the Senate had adopted it. I understand that the State Department did not approve it and did not like the idea at all; and the House sustained the view of the State Department. So we had to lose that amendment.

However, I believe that the Senator from Iowa [Mr. HICKENLOOPER] need have no fear but that the Commission appointed by the President to make the study will make its report by the 15th of January. Although I have not received any leak from the Commission, I can predict what the report will be. The Commission under the leadership of George Ball will find that the members of the Commission under his leadership have done an excellent job and will continue to do so in the future if Congress does not interfere, but complies with its request.

So far as I am concerned, the report of the Commission appointed by the President may have some value to the President, but I cannot conceive that it would have any value to Congress.

I still hope that a commission that is independent in fact will make a study of foreign aid, so that thus we can receive, for our guidance, a report in which we can have full confidence, and which we can follow, and thus improve the foreign aid program, which all of us know can stand improvement.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the report.

Mr. MANSFIELD. Mr. President—

Mr. PASTORE. Mr. President, I yield to the Senator from Montana, for a unanimous-consent request.

Mr. MANSFIELD. Mr. President, I have discussed the unanimous-consent request which I am about to make with the distinguished minority leader and with the chairman and ranking member of the subcommittee on appropriations which has been considering foreign aid, and with other Senators.

I ask unanimous consent that, beginning immediately, 1 hour be allotted for each amendment to be considered, and 2 hours to be allotted for debate on the conference report.

Mr. MILLER. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Iowa reserve the right to object?

Mr. MILLER. Mr. President, reserving the right to object—and I shall not object—I should like to have perhaps 10 or 15 minutes.

Mr. MANSFIELD. The Senator will be assured of the availability of that time.

Mr. PASTORE. I shall give the Senator from Iowa that amount of time.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DIRKSEN. Will the Chair restate to the Senate the content of the unanimous-consent agreement?

The ACTING PRESIDENT pro tempore. Under the agreement, time for debate on the conference report will be limited to 2 hours, and 1 hour on each of the amendments in disagreement.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DIRKSEN. In the event of a quorum call, I ask unanimous consent that the time necessary for the quorum call be not charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. SALTONSTALL. What is the question now before the Senate?

The ACTING PRESIDENT pro tempore. The question before the Senate is on agreeing to the conference report. Thereafter there will be debate upon amendments 14 and 20.

Mr. SALTONSTALL. There is now available 2 hours of debate on the question of agreeing to the conference report?

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is correct.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

Mr. DIRKSEN. With the understanding that the time necessary for the quorum call will not be charged to the time allotted for the debate on the conference report or the amendments.

The ACTING PRESIDENT pro tempore. With that understanding, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oregon is recognized. Does the Senator yield himself unlimited time?

Mr. MORSE. I yield myself such time as I may need.

The vote soon to be taken on the conference report marks the climax of the first thoroughgoing congressional review of foreign aid since the program began in 1947. The changes made by Congress have been relatively minor, compared to the changes that still need to be made. But the cut in funds has served notice upon those who administer the various parts of the foreign aid program that further cuts will be made next year unless there are substantial and basic changes made by the administration, itself, in the foreign aid program.

The Senator from Kentucky [Mr. COOPER] has said that Congress will abolish foreign aid if there is not a review made by men independent from the administration which will determine not whether its procedural and structural setup needs change, but determine the value of our aid programs themselves in each country now participating in them.

The Senator from Kentucky [Mr. COOPER] repeated that warning only a few minutes ago on the floor of the Senate. I shall have more to say later in regard to the nature of the review that ought to be conducted. But I heartily endorse his warning that Congress and the American people will not be satisfied with another shuffling around of functions and programs. We have had so many shufflings and structural changes in aid that they are lost in the haze of paperwork. But they have not improved the program in its basic elements.

I find myself heartily in disagreement with the proposal of the President of the United States that an investigation or study of foreign aid shall be conducted within the executive branch of the Government within the next few days and a report given to the Congress and to the American people by January 15.

Mr. President, that is a pure matter of form and not of substance. The investigation of foreign aid that needs to be conducted cannot possibly be conducted and the reforms that should be adopted agreed to in any such period of time.

Mr. President, the investigation should not be done by special pleaders. By and large, the Commission the President of the United States has appointed consists of a group of special pleaders. That is not the way to investigate and study foreign aid.

Although I support the objective of the Senator from Kentucky, the responsibility for investigating foreign aid rests with the Congress of the United States, and it cannot evade the responsibility. The taxpayers have the right to ask the Congress to carry out its duty to "watch-dog" the expenditures of taxpayers' money. That is not the function of the executive branch of Government. It is not the function of AID.

It is the function of the Senate and the House of Representatives. We have not been doing our duty in that field. We have had languishing before us for many months report after report from the Comptroller General, who is the agent of the Congress of the United States, revealing his findings, on spot checks that he has made around the world that

there has been waste of hundreds and hundreds of millions of dollars of the taxpayers' money.

What has the Congress done about those reports? Practically nothing. I shall go along with the Senator from Kentucky for the type of country-by-country investigation that he is calling for. I am perfectly willing to have outstanding laymen in this country associate themselves with such an investigation. But that investigation should be conducted under the auspices of the Congress, and Congress should be duly represented on the boards conducting such investigations. The Senator from Kentucky has that in mind. But the report should be to the Congress, for that happens to be the function of the Congress.

I shall have more to say about the subject later, not only in my present speech, but also next year, for, so far as I am concerned, this is only one battle in the war on the whole subject—if one would desire to use that figure of speech, as it involves foreign aid. I shall lose that battle today, for I am well aware of the fact that the votes are not present to reject the conference report. It ought to be rejected. In my judgment, it is not a sound report.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. AIKEN. Does the Senator have the feeling that someone in the executive branch might paraphrase Pyrrhus and say "One more such victory over the Morses and we are undone."

Mr. MORSE. I do not believe that anyone has such delusions. Congress has a clear duty under the Constitution to check the expenditure of taxpayers' funds.

Much has been said on the subject in the press. I speak now for the edification of the editors of the New York Times and the Washington Post particularly, although they are not the only editors that need a refresher course on the check-and-balance system of our Constitution. The editors of the Washington Post, the New York Times, and many other publications apparently are on a binge to downgrade the Congress. They are on a binge to becloud the issue before the American people as to the duty and responsibility of the Congress. I say to the various schools of journalism, "You ought to establish a national refresher course for all editors on the Constitution and invite them to come and refresh their recollections—if they ever had any understanding of the Constitution in the first place."

Mr. President, this is a coordinate and coequal three-branch system of government. Such editors as the editors of the Washington Post and the New York Times apparently are at work to subordinate the Congress of the United States to the White House and the executive branch of the Government. I will constantly speak out against that subversive attack on our constitutional system, because whether or not these editors know it, they are engaging in dangerous subversion. We shall have to watch out for the liberties and freedom of the Ameri-

can people if we ever subordinate the Congress under our constitutional system to the executive branch of Government.

I will fight just as hard as anyone in the executive branch of Government to protect the constitutional rights, under this system of checks and balances, of the White House; but I am greatly concerned about a tendency on the part of the press. Of course, the press has an impact on public opinion. It is a terrific force in molding public opinion in this Republic. I am much concerned about the growing evidence of a belief on the part of some members of the public that we ought to set up an all-powerful executive branch of Government and have the Congress function as its rubber stamp.

That issue is basic in the debate on foreign aid. As the Senator from Kentucky said a few minutes ago, a member of AID told him in his office that they did not want someone from the public "breathing down their necks." That has been the attitude of AID for a long time. It is the present attitude of AID.

We were unable this year to induce AID and the executive branch of the Government to come forth with a reformed foreign aid program. The Foreign Relations Committee, of which I have the honor to be a member, filed with the Senate a sound report on the need for policy changes in the administration of foreign aid.

When I read the report, having been one of those who led the fight within the committee for a reform of foreign aid, I felt like the lawyer who said, after a decision went against him, "I got the language of the court, but the opposing side got the decision." I got the language of the Committee on Foreign Relations, for the committee's report verified criticism after criticism I had made of foreign aid, but the committee did not give me the decision. It "passed the buck" to the executive branch of Government and said, "If you do not do something about it between now and fiscal year 1965, some dire consequences may result."

Members of Congress have the constitutional responsibility of checking the expenditures of taxpayers' money. So when editors of such newspapers as the Washington Post and the New York Times and other newspaper editors attack Congress on the basis of the false allegation that we are seeking to interfere with the administration of foreign policy by the Chief Executive, they do not know the Constitution, for the Constitution makes it as clear as the English language can make it that no money can be spent by the executive branch of the Government except in accordance with an act of law passed by the Congress. When we come to cast the value judgment as to whether the money should be appropriated, we necessarily must cast a value judgment upon the purposes for which the money is to be used. That is the coordinate power of the Congress of the United States in the field of foreign policy, Mr. President, and we cannot pass the buck to the Chief Executive, as the Foreign Relations Committee of the Senate did this year in the report it filed.

I say to you, Mr. President (Mr. WAL-

TERS in the chair), that no one is going to be able to understand the basic premise I have presented unless he understands my constitutional premise.

My charge is that the Congress has not been "watchdogging" the expenditure of the taxpayers' money, not only in the foreign aid program, but also in respect to many other activities.

We speak about foreign aid only today. We have voted, over the years, billions of dollars for foreign aid. Great portions of that money have been wasted. Much of it has led to corruption in various countries of the world, to the detriment of the prestige of the United States. Furthermore, inefficiency and waste characterize too much of the foreign aid program.

Since there no longer is any need for a Marshall plan in Europe, we have spent money in Europe in recent years that we cannot possibly justify. There is no excuse for sending millions of dollars more into the NATO countries. The NATO countries are self-sufficient. We have made them self-sufficient because of the largess of the U.S. Government.

I happened to be one of the leaders in this body at the time of NATO and the Marshall plan. Senators have heard me say this before, but I shall have to keep the record straight. I was one of the assistant floor leaders of the NATO Treaty, appointed by Arthur Vandenberg at the time, along with the Senator from Vermont [Mr. AIKEN] and the late Senator Tobey, of New Hampshire. I took article V—the one-for-all and all-for-one article—through the Senate at the time of the NATO Treaty ratification.

I would do it again.

But, Mr. President, 1963 is not 1949. The time has come for our European allies not only to pay their own way, but also to help the United States defend freedom elsewhere in the world, by making substantial contributions to the protection of freedom in South Vietnam, if we are to stay there at all. I happen to believe we never should have gone in unilaterally and should not stay there unilaterally.

That is a good example of how our allies have never assumed their full share of responsibility in the defense of freedom. They are perfectly willing to defend it in Europe, on their own soil, but they are not contributing their full share to the defense of freedom, and they are contributing only a pittance in connection with foreign aid to underdeveloped areas.

By and large what they contribute is not at the rate of three-quarters of 1 percent interest, with a 10-year grace period, and 40- to 50-year loans at an interest rate which does not even begin to pay for the cost of the use of the money.

Does anyone call that a loan program? The AID officials need to be made to understand that we do not like the kind of verbal subterfuge of which they are guilty. The AID propaganda across this country has given the American people the false impression that much of the economic aid program is now a loan program. I do not call a three-quarters of 1 percent interest rate, with a 10-year grace period, and a 40- to 50-year period

to pay—if they decide to pay—a loan program, except in quotation marks.

The American taxpayers have reached the point where they are entitled to get back at least the cost of the use of their money, in the way of interest rates. Do not tell me that in some of the underdeveloped areas of the world they cannot afford to pay it. If there is a hydroelectric dam to be built in any underdeveloped area of the world, it should be built only if it is economically and engineeringly feasible. And if it is economically and engineeringly feasible, it will return, in the wealth that it produces, adequate economic income to pay the cost of the use of the money, or the interest charge on the money of the American taxpayers with which it was built.

The second major premise I want to lay down, because to understand my position on foreign aid it is necessary to understand this, is that we cannot buy friends. And we have not bought friends. If Senators think we have, let them take a look at Cambodia today. Cambodia is raising havoc with U.S. foreign policy in Asia. Cambodia has brought to an end a policy based on a theory which has always been fallacious and against which I have spoken many times in the past—the so-called domino theory. Cambodia certainly has crashed the dominoes, if there still linger those who accept that theory. It has been demonstrated that it was never sound. Cambodia illustrates that we cannot buy friends.

No; what we must do to protect the American taxpayers is to make sure the money is spent on sound economic projects in the underdeveloped areas of the world that will help create the wealth which brings about economic benefits that will help those people become economically free. What American policy ought to be, in the main, in connection with our foreign aid, is the exportation of economic freedom; for until people are first economically free, they cannot be politically free.

I have been heard to say before, and I say it again, that we have been trying to export a political ideology we call democracy. It cannot be done, because people in the underdeveloped areas of the world could not care less about political ideologies. But even though millions of them are illiterate and ignorant, they understand economic freedom, and they understand that they are being deprived of economic freedom.

I urge that American policy in the field of economic aid be reoriented, project by project, to economic projects that will bring, or help bring, economic freedom to these millions of people. It is a concept, I am sorry to say as a member of the Foreign Relations Committee, about which the AID people downtown and the military people downtown never have had any understanding or comprehension.

The elements to which I have referred involve the question whether the money spent by the American people on foreign aid is producing a foreign policy return commensurate with the expenditure. This can only be determined country by

country, as the Senator from Kentucky proposes. It can only be determined by examining the entire history of U.S. aid in each country. And it can only be determined by examining the entire history of all U.S. aid in each country.

MILITARY AND ECONOMIC AID CANNOT BE
SEPARATED

The statement issued a few days ago by the Senator from Arizona [Mr. GOLDWATER], which embodied his attack upon the President, reveals that our colleague suffers from a gross ignorance of these basic issues involved in foreign aid. Had we enjoyed the pleasure of the Senator's company during the debate of late October and early November, and throughout the voting on the many amendments to the authorization bill, it would have become evident to him as it has to so many of us that economic aid cannot be separated from military aid. Yet the Senator from Arizona sought to do that by protesting economic aid as being too high, while ignoring military aid altogether.

One of the key points which I sought to bring out in my daily speeches here in the Senate last summer was that our heavy consignment of military aid to certain countries requires us to furnish disproportionate amounts of economic aid to the same countries. This point was also repeated by the Senator from Louisiana [Mr. ELLENDER] and by the Senator from Missouri [Mr. SYMINGTON] during the debate on the appropriation bill. In many ways this is the key problem of the foreign aid program; it most certainly is one of the problems which the committees called for in the Cooper amendment would have gone into, and it is a problem which no true review of foreign aid can ignore.

The recipients of our military aid cannot maintain large military establishments out of their own economic resources. If they could, they would not need the military aid from us. In that sense, we are leaning on weak reeds wherever we send military aid, because a country that is militarily dependent upon others in time of peace is hopelessly dependent upon others in time of war.

Take Iran. There is a country on the border of the Soviet Union to which we have sent \$633 million in military aid between 1946 and 1963. We sent Iran \$789 million in economic aid in the same period. In fiscal year 1963 alone, the military and economic aid was just about equal—military aid slightly over \$58 million and economic aid slightly under \$58 million. But suppose some Soviet aggression occurred against Iran, or against some neighbor that would involve a treaty commitment of Iran's. Ignoring for the moment the purely military value—if any—of the Iranian forces, the United States would have to provide their complete support, and we would have to pour still more American wealth into Iran itself to keep it going under war conditions.

Exactly the same is true of Turkey, Taiwan, Pakistan, Greece, Korea, the Philippines, Thailand, and South Vietnam, all of which account for the great bulk of foreign aid outside the Alliance for Progress.

The aid figures show absolutely and beyond question that even in time of peace, we send most of our economic aid to the same nations that receive the bulk of our military aid. There are a handful of exceptions. Israel and the United Arab Republic have received economic aid, but not military aid; India has received a huge amount of economic aid, and only now are we beginning a large-scale military aid program to India. There are, in other words, a few nations receiving considerable economic aid and no military aid. But there are no countries receiving substantial military aid that do not also receive substantial economic aid.

It is a concept that romanticists like our friend from Arizona do not like to face, but military aid generates a need for economic aid. The entire \$380 million for supporting assistance—a category of economic aid—goes to nations that need direct financing from outside to support their armed forces, in addition to the military equipment itself.

Beyond that, the bulk of development grants and loans also goes to countries that would have less need of outside aid for development were they not channeling so much of their scarce resources into military purposes.

The great tragedy in this is that the real protection for all these nations is in the overwhelming power of the American military forces, which we maintain in all the places in the world where we believe U.S. interests are at stake. These forces will have to protect each and every one of the nations around the Communist bloc if they are to be protected at all from Communist attack.

We have heard repeated over and over again in this debate the assertion that it is cheaper to maintain in uniform a South Korean, a Formosan, a Pakistani, a Turk, or some other soldier of another foreign country, when the fact is that we maintain them and our own forces as well; and it is our own forces, and not their military defenses, that give them the security. It is the 7th Fleet in the Pacific, not Chiang Kai-shek's army, not South Korea's Army; it is the U.S. air armada, and it is the thousands of American boys stationed in the Pacific, who give protection to American interests in the Pacific.

We need to take a long, hard look at the waste of money, by the billions; to take a long hard look at the wasteful billions of dollars that we have been pouring into military aid around the world so far as the protection of either the United States or the government involved is concerned.

There is the ugly fact, which the world needs to face, that if war were to break out with Russia, it would not be a conventional war. All the billions of dollars of military aid that we have poured into these countries would be recognized as having been wasted. It would be a nuclear war of short duration, and the probabilities are that both of the major combatants would destroy themselves.

The time has come for a hard, long look at military aid.

I warn the American people on what the next move will be. The next move

will be a move of partial concealment, by taking military aid out of the general aid bill, taking it away from the Foreign Relations Committee of the Senate, and having it considered in connection with the U.S. defense budget. It does not belong there. This is a foreign policy issue.

I am at a loss to understand why the Secretary of State has not already risen in righteous indignation against the move that is on foot to separate military aid from economic aid and to place it under the jurisdiction of an entirely different committee in the Senate and under an entirely different department of the U.S. Government.

"Watch out," I say to the American people on this move, because it is a further attempt to weaken the State Department.

AID REVIEW OF ADMINISTRATION MAY MAKE
SAME MISTAKE

It would appear from press reports that the administration committee set up to examine itself is about to fall into the same pit with the Senator from Arizona.

Plans to separate economic aid from military aid will, if carried out, lead to increases in both. I do not doubt that this is exactly what is in the minds of some of the advocates of the separation. It has been commonly said for many years that Congress would approve just about any amount of military aid if it were hidden away in the budget of the Defense Department. There is a wide body of opinion within the administration that economic aid should be sacrificed, if need be, to the objections made to foreign aid in general, but that military aid should be put in the Defense Department budget where it will be rubber-stamped by Congress.

But even if it is carried out, its proponents will find out eventually that the nations favored for even more military aid cannot make use of it without large sums of economic aid. This interrelation of economic and military aid, and the basic military protection afforded by our American Defense Establishment which makes so much of that aid unnecessary, is at the heart of our foreign aid problem. Perhaps it can be disguised and concealed for a while by separation of the two programs, and by a razzle-dazzle reorganization and dismemberment of existing aid structures. But it cannot be disguised or concealed for long, no matter what organizational changes are made in the presentation and administration of aid.

I am opposed to such a separation for another reason: It would make the State Department and the Senate Foreign Relations Committee nothing but appendages to the Pentagon in the formulation of American foreign policy. The commitments and obligations entered into with other countries by the United States must never be entered into on the sole word of the American military. We already have too many obligations and commitments that were entered into because purely military considerations prevailed. Putting military aid into the Defense Department budget in an effort to remove it from true congressional scrutiny and congressional guidelines would

be a final step in the direction of military diplomacy.

Military aid is in fact one of the most important of all foreign policy considerations. It must, therefore, remain under the jurisdiction of the administrators and the congressional committees that have the responsibility over foreign policy itself.

MISTAKE CAME IN APPLYING EUROPEAN FORMULA
TO LESS DEVELOPED COUNTRIES

The point is, however, that no amount of procedural juggling can separate military from economic aid because the first invariably produced the second. No administrative review, and no congressional review that ignore this problem can really be considered a basic review of foreign aid.

It is one of the problems that I shall take up myself for each country next year, as the Senate Foreign Relations Committee examines the foreign aid program.

The problem itself has developed because of the very success of earlier aid programs in building bulwarks against communism, both internal and external. Massive aid to western Europe and Japan restored their economies; in western Europe it also enabled them to build their own military forces, though the continued presence of U.S. forces in Europe relieves our allies of doing what they can and should be doing in their own defense. Similarly, Japan could produce an independent military force, if she chose to do so.

But as so often happens, a bureaucracy that carried out a successful program in one area thought only of extending the same program to other areas. Congress, in its excessive zeal to give the executive branch a free hand refrained from exercising the control and direction over foreign aid that it should have exercised between 1950 and 1960. Because Congress failed to exercise control and jurisdiction over the foreign aid program in that decade, we find ourselves in 1963 with a program that seems endless and bottomless and in which the American people have lost confidence.

Where we went wrong was in trying to do in non-industrial parts of the world what we did in the industrial areas of Europe and Japan. We have made—and are making—an infinitely costly mistake in applying the same combination of massive economic and military aid to nations that are entirely lacking in the components of industrialism that existed in Europe and Japan.

Take the countries on the Communist periphery where we concentrate our aid, both military and economic. Greece, Turkey, Iran, Pakistan, India, South Vietnam, Taiwan and South Korea. There is not one among them that will, in our lifetime and probably not ever, have the internal capacity to support a military establishment that will be meaningful in terms of the military power of China, Russia and the United States.

So long as we maintain large aid programs in those countries with the objective of building their indigenous military forces, we will never see the day when they will be self-supporting.

They will be "on our backs" forever. And if the time comes when Red China or Russia launches an attack against one of them, it will have to be defended by U.S. forces if it is to be defended at all.

How many Korean wars, and South Vietnam wars, do we have to fight in to learn that? Only Americans can and will protect American interests.

Our massive aid programs to them, far from enabling them to defend themselves, has two bad consequences. The first is that it discourages real and needed growth of all kinds. Many of these countries are run by factions that live off the American aid program. Korea, Taiwan, South Vietnam, and probably Pakistan are such countries. Their economic and political growth has been stunted by the military orientation of U.S. aid, including economic aid.

Secondly, our aid to many of them has the bad effect of setting the recipients against each other. Congress tried to come to grips this year with this effect of much of our aid by adopting the Gruening amendment. I am not at all certain that the Gruening amendment will produce the desired effect. But at least it was an honest attempt by Congress to deal with a problem of foreign aid that its administrators have refused to deal with. The operation of this new policy guideline will be closely watched by those of us who are attempting to produce a meaningful and effective foreign aid program.

As I have said, the issue of the interrelation of military and economic aid is a key foreign aid problem. I have outlined it and detailed it with respect to country after country in my speeches on the Senate floor. But there are other problems of foreign aid, too.

PROBLEM OF SELF-HELP BY RECIPIENT NATIONS

One such problem is the issue of self-help on the part of recipients. It is closely related to the question of aid for military purposes. From a great many of the countries I have been talking about, we do not ask or expect much self-help, because we expect them to concentrate their own resources on supporting military establishments. Or we do not ask them to make needed reforms because to do so might cause a particular ruling clique to tumble from power. So Uncle Sam picks up the bill for their failure or unwillingness to use their own resources most effectively.

But the issue of self-help also has great application in Latin America. The military urgency is not so pronounced there; yet we still hear it said both in Latin America and in the United States that if we expect these countries to move too fast and do very much to help themselves, they will become unsettled politically, and that might lead to unsettled military consequences. This is why the apologies are made for the juntas in Latin America. The apology makes the case that reform upsets the ruling classes and causes them to seize the government. But if the same old system is to remain entrenched in Latin America, then I see no reason at all for the Alliance for Progress. If the juntas take over to prevent reform, and if the juntas are desirable because they keep

the Communists down, then there is really no reason for any further American investment in the nations to the south.

If time permits later, I shall apply this principle to the Dominican Republic, for I warned, when this administration a short time ago recognized the junta government of the Dominican Republic, that it was not helping the cause of stability either in the Dominican Republic or throughout Latin America. The material I shall later place in the RECORD bears out my warning given on the day I issued my press release in opposition to the recognition of the military junta of the Dominican Republic.

So long as we continue the expenditure of large sums under the Alliance in the name of raising their living standards, then we must demand that the recipients do the things that must be done by them to make our aid effective.

I believe the same is essentially true for every country that receives American aid.

MANAGEMENT OF AID MUST BE IMPROVED

Still another area to which I devoted much time during this year and will devote more time next year is that of the specific wastes and delays that turn up everywhere in foreign aid.

The reports of the Comptroller General, as I have said, are a complete rebuttal to anyone who parrots the argument that there is bound to be waste in a program so large as this one. If that is true, then someone had better get busy and start correcting them, because the reports of the Comptroller General do not relate to pennies and nickels of waste, but to hundreds of millions of dollars of waste.

Not long ago, there was brought to my attention just one small example of what I mean. It seems that 2 years ago, the United States entered into an agreement with the Government of the Cameroons that AID would sponsor an English language institute in that country to train teachers of English. I am further advised that for 2 years AID maintained in the Cameroons one man under contract at around \$12,000 a year, a second man at around \$10,000 a year, and a third man at around \$8,000, not one of whom ever did one thing under the program.

It is my understanding that there was no building provided, and there were no students provided for this English language institute. Yet these Americans were paid their salaries, their families were sent to the Cameroons with them, an estimated \$200,000 worth of teaching equipment, including television and acoustical tile, was purchased, sent and piled on the docks, where I understand it still sits, waiting for the Cameroons Government to designate some building where the program can be carried out.

That is the money of the American taxpayers. It is an example of why there is the fight for reform. It is not a singular instance. It exists with a resulting loss of hundreds of millions of dollars of the taxpayers' money.

From what I have heard about this ill-fated English-language venture by AID, it was largely the idea of the United

States that we should seek to create an English-speaking facility among the people of a formerly French colony. Yet the Government of the Cameroons was not sufficiently interested in the program to do more than acquiesce in it. A suggestion was made to me that the Cameroons Government wanted help from AID for a railroad it had planned, and that it was unwilling to go along with the English language program until AID agreed to help finance the railroad.

The information I have related about this particular project was given to me by responsible persons. I have not investigated it personally. But I would appreciate a report from the Agency as to the status of this particular project, including the sums spent on it and its progress to date.

CONFERENCE REPORT FAILS TO DEAL WITH FOREIGN AID PROBLEMS

There is nothing in this conference report that gives any hope that the problems I have outlined will be corrected. The sum made available is much more than the \$3 billion generally reported in the press.

In addition to the \$3 billion in new money there is also a reappropriation of funds that brings the total up to \$3.26 billion.

But that is not all. There is in the law itself a section which permits the expenditure of up to \$300 million in military aid out of Defense Department stocks, to be reimbursed out of the regular Defense Department budget. This means that instead of only \$1 billion available for military aid, there is really \$1.3 billion available. That is one reason why I said during the debate on the appropriation bill itself that new money for military aid should more appropriately be reduced to half a billion.

The \$380 million figure for supporting assistance is also too high. It will permit a continuation of many of the worst foreign aid practices and failures. This item should be eliminated entirely from the foreign aid program.

One of my basic objections to this conference report is the flimsy and inadequate language relating to the Export-Import Bank guarantees for commercial transactions with Communist countries.

I was strong in my support of the Russian wheat deal when it was announced by President Kennedy as being an exclusively private deal between the Soviet Union and American businessmen. But the Export-Import Bank guarantee removed all the risk for American businessmen. Their risk is now guaranteed by an institution of the U.S. Government. I do not believe we should begin commercial transactions with the Soviet Union on that basis. Let us gain some experience and let the Soviet Union establish some kind of record with American businessmen before the Federal Government involves itself.

I am also strongly opposed to the principle of giving the discretion in this matter to the President. That is what the conference report in effect does. If anything, that is worse than saying nothing about it at all, or endorsing the plan outright.

Giving to the President the discretion to decide a matter that the Constitution places in the hands of Congress is exactly what is wrong with Congress. All the complaints about the inadequacies of Congress fail to recognize our real failure: It is our failure to decide the things the Constitution meant us to decide.

Article I of the Constitution places in Congress the authority to regulate commerce among the States and with foreign nations. Each time Congress abandons its authority because it fears to take the consequences of its actions and decisions, it weakens itself. It is such delegations of congressional authority to the executive branch as this one that have reduced Congress to wrangling over issues instead of deciding issues.

This language in the conference report alone is enough to justify my vote against it.

CONGRESSIONAL REVIEW OF AID MUST CONTINUE

On February 14 of this year, nearly 1 year ago, I told the Senate:

But there has to be an end to the pouring out of the largess of this Republic for the assistance of allies which are now as capable as we are of bearing their share of the burden, for there is not a NATO country which is not in a better economic condition now than it was at any time in modern history. Yet so long as Uncle Sam is willing to pay it out, apparently the European nations are willing to take it.

That is why I indicate today that at this session of Congress, both within the Committee on Foreign Relations, of which I am a member, and on the floor of the Senate, there will be a historic debate on the question of foreign policy, reviewing our foreign aid program and our alliances, including our south Asian alliances.

On June 13, when it became apparent that the Senate Foreign Relations Committee was holding "quickie" hearings on foreign aid, I told the Senate:

So I notified the Foreign Relations Committee yesterday that I reserved the right to speak each day, starting next week, on foreign aid issues, from the floor of the Senate, supplementing the hearings before the Foreign Relations Committee. I did so because the procedure being followed in Senate committees makes it almost certain that Senators will not be able to use the time in committee to call the attention of the American people to what I consider to be some of the very unsound parts of the testimony already heard before the committee. * * *

I do not know how the American people can be made to understand the foreign aid bill unless Senators discuss it, as I propose to discuss it, and answer here on the floor of the Senate, as the administration's case for foreign aid is developed in committee, the positions taken by the administration in respect to certain parts of the bill which I think are completely unsound.

On June 17, when the Senator from Idaho [Mr. CHURCH] and the Senator from Utah [Mr. MOSS] expressed some dissatisfaction with certain aspects of foreign aid, I told the Senate:

I hope the administration is taking note of the increase in the number of voices speaking out against its foreign aid bill this year. I speak as a Democrat in opposition to the foreign aid bill.

If the administration took a nose count in this country it would find that a substantial majority of the taxpayers want a drastic re-

duction in the foreign aid bill and some major changes in the policy inherent in the foreign aid bill.

On July 2, I told the Senate:

The time has come when the administration had better take another look at this foreign aid bill and stop talking of ramming it through Congress by whipping politicians into line. It should start talking to Congress on the basis of the merits we can agree are involved in the bill, even if the administration finds it necessary to modify its position.

Reluctantly or not, it ought to modify its position, because the administration is not going to end the criticisms of this giveaway to nations which no longer deserve the giveaway, while we have the rising threat to the soundness of our own economy and enlarging pockets of economic underdevelopment in our own Nation.

I think it is fair to say that this year there was a historic debate and review of foreign policy and foreign aid. It is also fair to say that not only the House but also the Senate reflected, in their debates and in their votes on the bill, the general dissatisfaction of the American people with foreign aid. I think it is also fair to say that the administration was unable to ram its foreign aid bill down the throats of Congress. How much better it would have been if a modification had been made in foreign aid by the administration itself, instead of leaving it to Congress to do the job.

Now we are hearing that a high-level administration review of the program is underway. But I am disappointed that it seems to be concerned primarily with the procedures of foreign aid, rather than with its substance. I share entirely the opinion of the Senator from Kentucky [Mr. COOPER] that Congress and the American people are demanding more than mere procedural changes.

When the AID authorization bill comes to Congress next year, I am going to undertake my own review of how AID has operated, and to what purpose, in each country. I do not expect to do anything like the job the Cooper amendment sought to have done; but the questions are going to be asked, even if the answers cannot always be ascertained independently from AID sources themselves.

OBJECTIONS TO HAVING CONGRESS DO ITS DUTY

Of course those of us who seek this kind of review, to find out what, if anything, U.S. aid is accomplishing, must expect to hear more of the constant attack upon Congress for doing its duty.

The press not only is attuned primarily to the executive branch; it is also largely ignorant of the American system of government and the role of Congress in that system, as its writings proved day by day. These days, most of the editorial attacks upon Congress come from writers who do not care what Congress does, so long as it does just what the administration tells it to do, and nothing more.

The editorial article in yesterday's Washington Post, describing a "Sick, Sick Congress" was such an attack. It is nothing more than a diatribe against Members who dare to fulfill their responsibilities under the Constitution.

It saddens me to read such editorials, and to find that journalists today who are parrots of the "line" from the executive branch, whatever it may be at a given time, care nothing of the merits of the case made in Congress. Ridicule and misrepresentation—not truth—are their only weapons. Many of these newspapers, and especially the Washington Post—have not dared to print in their pages the specific charges, facts, criticisms, and proposed reforms that have been made from this floor. They do not dare do so, because then they would embarrass the administrators in their own hometowns.

Fortunately, the American people understand our form of government better than do the journalists who cover the news from Washington. The voters know that it is up to Congress to decide, not only how much money is to be spent for any program, foreign or domestic, but also how it shall be spent, and for what purposes. We in Congress know we cannot evade our responsibility for the foreign aid program, even if we wanted to, because the American people hold us to the accounting.

The average voter is not interested in the parliamentary form of government which so enamours many editorial writers, and even some politicians. The average voter knows instinctively that the American form of government does not contemplate rule by executive decree, nor does it even contemplate a Congress that either supports the President or goes back to the people for a new election.

I know that many semisophisticates in American journalism do favor the British system of parliamentary government over our own. They try to superimpose the parliamentary system upon our own, by insisting that it is the President's program that is voted on every 4 years, and that it is voted up or down along with the man who is elected, and that every Member of Congress of the President's party is elected only to rubberstamp the President's program and vote it into law.

Unfortunately, not many of them realize that ours is not a parliamentary system. Ours is a system of checks and balances and a system of prescribed and delegated powers. Under our system the power to spend money lies with the Congress, not with the President or with the State Department or with the Defense Department, or even with the aid Agency.

The emotional attraction of the executive branch as the action branch is so overpowering to these journalists that, for them, Congress exists only insofar as it carries out the will of the Executive.

I do not expect that any of them will give so much as a flashing thought to the possibility that Congress might be right, or that the American people as reflected by Congress might be right in its opposition to the current aid program. As I have already pointed out, there have been 5 Presidents, 6 Secretaries of State, and upward of 12 administrators of foreign aid since the beginning of my service in the Senate. Many of us in Congress have been considering foreign aid legislation ever since foreign aid began

after World War II. The duty of giving our foreign aid purpose and direction lies with us, not with the executive branch. The tradition and the tendency of the executive branch is to perpetuate, and, if possible, to enlarge upon, any program, not to guide it in any direction that might lead to its curtailment or termination.

If there is alarm in the executive branch and among the press that Congress has finally taken a hand in the foreign aid program, it is only because we have neglected to do so for so long. In 1963 Congress only began a task that it should have done every year since 1947. We still have a very long way to go. We must not be deterred by the vitriol of the ignorant press. If Congress does not continue in 1964 the review and revision of foreign aid which it began in 1963, it will be brought to account by a far more terrifying and final judge than an editorial writer; it will be brought to account by the American voters.

Mr. President, I believe that the Senator from Rhode Island [Mr. PASTORE]—with whom I disagree in regard to the desirability of adoption of the conference report—deserves the sincere thanks of those of us who are in opposition to the report for his objectivity, his hard work, and his devotion to duty as the chairman of the Senate conferees.

I wish the RECORD to show that he has my sincere thanks for the performance of his trust. I hope that next year he and I will find ourselves in closer agreement than we found ourselves this year in regard to the basic policy questions involved in foreign aid.

Mr. PASTORE. I thank the Senator from Oregon. I understand that the Senator from Iowa desires some time.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. WALTERS in the chair). The Senator will state it.

Mr. PASTORE. How much time remains?

The PRESIDING OFFICER. The Senator from Rhode Island has 1 hour remaining; the Senator from Oregon has 5 minutes remaining.

Mr. PASTORE. Does the Senator from Oregon desire to reserve the 5 minutes still available to him?

Mr. MORSE. I reserve the time. I sought to find whether any other Senator wished to speak, but no Senator has asked me for time.

Mr. PASTORE. I am prepared to give the Senator from Iowa some of the time available to me. How much time does the Senator desire?

Mr. MILLER. I should like 10 or 15 minutes. The Senator from Iowa does not see that it is necessary for the Senator from Rhode Island to take away from his time. I appreciate his deference, unless it is necessary—

Mr. PASTORE. It is not necessary at all. The Senator from Rhode Island will not take more than 2 minutes to submit some charts, and then he will be ready to vote. The Senator from Iowa may have 15 minutes of the time available to

me—not that I intend to be generous, but the Senator is welcome to it.

Mr. MILLER. The Senator from Rhode Island is always generous, whether he intends to be that way or not, and I thank him.

Mr. President, I am now finishing my first 3 years in the Senate. Since I came to the Senate six major votes have been taken on questions related to foreign aid—three on authorization bills and three on appropriation bills. I have voted for five of them. I voted for both the authorization and the appropriation bills in 1961 and in 1962, and I voted for the authorization bill this year. I like to think that the RECORD makes it quite clear that I am reflecting the attitude of the people of the State of Iowa, which has been favorable toward foreign aid programs.

But there comes a time when one feels that he must vote in protest against certain things that are taking place. I believe that the action of the House and the Senate this year in substantially cutting back on the authorization, and particularly on the appropriation amount, is responsive to the attitude of the people back home.

Almost a year ago the President of the United States asked the Congress for \$4.9 billion for foreign aid. The request was contained in the President's budget message of last January. I find it a little difficult to understand why some authors and columnists talk about a \$3.5 billion request. The original request was \$4.9 billion, and it was contained in the budget message of the President of the United States last January.

Following that request, the Clay Committee report was issued. The Clay Committee was appointed by the President a year ago last November or possibly a year ago this month. On the basis of the Clay Committee's report, the President then revised his request downward from \$4.9 billion to \$4.5 billion. Since that time there have been further cutbacks. We are now dealing with a foreign aid appropriations bill of \$3 billion, plus an authorization to continue \$250 million of unspent funds previously appropriated. So if the bill passes, the foreign aid program will be \$3,250 million, which is a very substantial difference from the \$4.9 billion contained in the original budget request of the President of the United States.

Those figures must be considered in connection with the fact that approximately \$7 billion of previously appropriated and obligated money is in the pipeline, so that if the Congress did not pass any foreign aid bill this year, there would still be a very large amount of the taxpayers' money going into the various foreign aid programs.

The action of Congress this year is responsive to a stepped-up feeling of unrest on the part of the people who are paying for the programs. I do not believe that it reflects in my State any more than in any other State the desire of the people to take a meat ax and cut off all foreign aid. But it does reflect growing impatience with reports that we see from the Comptroller General and elsewhere indicating that there have been inexcusable abuses of discretion on the part of some foreign aid administrators.

The only issue that I can see that is now before the Senate relates to the failure of the conference report to include a prohibition against the taxpayers of the United States having to underwrite the credit of the Soviet Union in connection with sales by our private exporters of wheat and other agricultural commodities, and other commodities, to Communist bloc nations. Most of us are in agreement as to the amount of money. Some think that the amount is low; some think it is high; but we are pretty well together on that question.

I recognize that the President of the United States, by and large, should have control over our foreign policy. That is his constitutional prerogative. But at the same time, it is not a blank check, because the people through their elected representatives in the legislative branch of the Government are putting up the money, and if they do not think that discretion is being used properly, they have no place to go except to the Congress to ask that safeguards and restrictions be written into the appropriation bill.

I have just returned from my State after spending a few days talking with my people. I have not found a one with whom I have talked—and I have talked with Democrats, Republicans, and independents alike—who thinks that the President of the United States ought to be given discretion to commit the taxpayers of my State to underwriting the credit of the Soviet Union. Some have very violent objections, but most are in favor of a wheat sale for gold or for hard currency. I was in favor of that method of handling the transaction from the very beginning. I am not impressed by suggestions being made that if the Export-Import Bank of the United States, which is supported by the American taxpayers, does not underwrite Soviet credit, the wheat deal is off.

I have already put into the RECORD on two previous occasions an article published in the Washington Evening Star following the defeat of the Mundt bill, which quoted Soviet spokesmen as saying that the defeat of the Mundt bill did not make any particular difference to them, because when and if they decide to buy our surplus wheat, they would probably buy for gold or hard dollars anyway. They probably will. Generally speaking, their attitude is that they are not interested in fattening the purses of our bankers—capitalists—by paying interest.

Then the answer comes back, "Perhaps that is the way they feel about it, and perhaps that is the way they will actually operate." But someone in the State Department has the idea that if the Congress writes in a prohibition singling out Communist-bloc nations for special treatment and saying, "You will not have our taxpayers underwriting your credit," this might cause some tensions between the United States and the Communist-bloc nations, and that the Soviet Union wants to be treated like other nations. Therefore, they would resent the writing in of a prohibition by the Congress of the United States such as the Mundt amendment and the Mundt bill sought to do, and such as the House

itself wrote into the foreign aid appropriation bill originally.

I shall be the first to treat the Soviet Union like any other nation, when and if it deserves it, but I do not believe the people of the State of Iowa or the majority of the people of the United States have a feeling that the biggest deadbeat in the world ought to be treated like all the other nations of the world. I say "the biggest deadbeat in the world" because the record shows that. With more than \$104 million of delinquencies in the accounts of the United Nations listed in the last report by the Comptroller General of the United Nations, over half of that amount comes under the Soviet Union.

For the American taxpayer to underwrite the credit and the good faith of the Soviet Union to pay up bills in connection with our export business, in the face of this, is unthinkable.

I regret very much that the President of the United States, whom I will support to the maximum permitted by my conscience, sent to the majority leader of the Senate a letter in which he indicated that he thought it would be in the national interest for the American taxpayers to do this. I believe it would be in the national interest for us not to do it.

Do we not have a little backbone? What will some of the other nations of the world, who pay their obligations to the United Nations, think if they see that we treat the Soviet Union's credit as being as good as theirs?

In connection with the idea of easing tensions, a revealing article entitled "Blank Check for Secretary Rusk," written by the distinguished columnists Robert S. Allen and Paul Scott, appeared in the Sioux City, Iowa, Journal for December 24, 1963. It sets forth informally some of the thinking going on with respect to the future course of our policy in dealing with Communist nations. I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BLANK CHECK FOR SECRETARY RUSK

(By Robert S. Allen and Paul Scott)

That blank check President Johnson gave Secretary Rusk to determine the course of foreign policy is going to be used to the hilt.

The State Department high command, making the most of this opportunity, is busily preparing a series of speeches and pronouncements designed, in effect, to commit the new President to far-reaching policies in virtually every key trouble spot in the world.

These policies include explosive portions of the late President Kennedy's "grand design" in foreign policy—which have never been spelled out in public. There have been guarded references to them, but that's all.

Last week's significant address by Roger Hilsman, Jr., Assistant Secretary for Far Eastern Affairs, enunciating a so-called open door attitude toward Red China if it discards venomous hatreds against the United States was the first move in this State Department plan.

Along the same line as Hilsman's revealing declaration, other top State Department officials will proclaim equally important stands regarding Russia, its eastern European satellites, Asia, the Middle East, Africa and France.

The next of these tentatively slated momentous speeches will be made by Undersecretary Averill Harriman on a crucial shift in policy toward the Soviet bloc.

The new course Harriman will launch will be summed up as follows: "The ultimate U.S. aim is to see that these nations of Eastern Europe eventually become members of the free community of nations by a process of peaceful evolution."

Harriman has become Rusk's closest adviser on European affairs. The principal progenitor of the above concept, in which Harriman heartily concurs, is Dr. Walt Rostow, head of the State Department policy planning council and author of a series of "position papers" approved by the National Security Council in the Kennedy administration.

These closely guarded foreign policy blueprints continue unchanged and in full force in the new Johnson administration.

Like Assistant Secretary Hilsman's open door statement regarding Red China, Undersecretary Harriman's address next month on policy toward the Iron Curtain satellites will vigorously advocate a realistic view.

Presumably such a view will include East Germany which the United States does not recognize.

The key highlights of this realistic view are:

"The United States will refrain from encouraging or supporting uprisings or strikes that exert pressure against Communist regimes."

"Widening of diplomatic, cultural and trade relations and contacts with Eastern European countries."

The controlling position paper, on which the forthcoming speech will be based, lays down a cautious policy for coping with the sensitive problem of possible eruptions behind the Iron Curtain. The proposed course is similar to that followed by the Eisenhower administration during the Hungarian revolt.

"If revolt breaks out in East Germany or any other satellite," states the position paper, "we should bear in mind that our grand design is to build a community of free nations which will expand by their inner strength and attractive power when combined with the assertion of increasingly nationalistic trends within the Communist bloc. We do not wish to jeopardize this design by allowing Eastern Europe to become a battleground between ourselves and the U.S.S.R., unless we are attacked."

"Accordingly: If turbulence erupts in the area, we should maintain this posture, and urge our allies to do the same, meanwhile exerting all the influence we can muster during such crisis to yield less repressive and more nationalistic regimes as the outcome."

"We should refrain from encouraging or supporting armed uprisings, or strikes that exert pressure against Communist regimes. Should a national Communist regime be established in any of these countries, we should make a maximum effort short of military activity to permit its survival."

Concerning widening ties and contacts of every kind with the Soviet bloc, the "position paper" declares:

"Such contacts will bring home in some way, however muted, the message that history does not inevitably decree that Moscow will forever dominate their lives. That message may encourage these people to press their governments, insofar as they safely can, for gradual internal liberation and for steps toward greater national independence."

"While we cannot be expected to publicly endorse or applaud these Communist governments, there may be occasions when it will be in our longrun interest to mute our criticism and to refrain from official attacks. This balance of interest is a delicate one, but it must be made."

"We should encourage and assist Western European nations to exploit tendencies to-

ward closer relations with the West as they appear among the Eastern Europeans, and should, so far as practicable, endeavor or develop mutually supporting programs of increasing diplomatic, cultural and trade relations with these Communist regimes."

The position paper not only flatly advises expanded trade and other relations between West and East Germany, but also between the United States and East Germany.

Mr. MILLER. Mr. President, the sum and substance of the views presented by Mr. Allen and Mr. Scott is that some of the thinking about our future operations and policy with respect to the Soviet Union and other Communist nations is that we are to continue an accommodation policy of dealing with them; that we are not going to act, but react; that we are going to probe for peace; that we are not going to do anything, such as to stand up for our rights or evidence our firmness, which might cause any tensions with the Soviet Union.

I do not deny the good faith and conscientiousness of those who favor this policy, but I believe it is shortsighted. I believe it is wrong. I believe it will not be effective. The experts with whom I have consulted, whose views I have read about Communist philosophy and Communist tactics and strategy, cause me to be convinced that Communist reaction to this type of policy will not be to welcome the warm clasp of friendship. They will look upon it as an indication of weakness and decay on the part of the United States and its people.

While Mr. Khrushchev may smile today, instead of thumping the table at the United Nations with his shoe, let us be sure that we remember what happened a little more than a year ago in Cuba, when stealthily and secretly—accompanied by a lie by Mr. Gromyko to the face of the President of the United States—intermediate range ballistic missiles with nuclear warheads were moved into Cuba. They were not moved there for any purpose other than to get at the United States.

The leopard does not change his spots in a year. It may be that his spots will change some day. I hope and pray that this will happen. But I do not believe that our attitude of easing tensions to the extent of treating the Soviet Union the same as other nations, which are peace loving and freedom loving, which pay their debts before the United Nations, is the way to achieve this result.

For this reason, with reluctance I shall cast a protest vote against the foreign aid appropriation bill conference report today.

I recognize that the Senate has been pretty much of a rubber stamp for the executive branch of the Government. I have had much to say on that subject on previous occasions. It is all well to assert, "We are an independent branch of Government," but I do not judge by words. I judge by action; and the actions and the record show that the Senate has been a rubber stamp for the executive branch of the Government.

The PRESIDING OFFICER. The time yielded to the Senator from Iowa has expired.

Mr. MILLER. Mr. President, will the Senator yield me another 2 minutes?

Mr. PASTORE. I yield 2 additional minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 2 additional minutes.

Mr. MILLER. Since President Johnson has indicated he does not want this prohibition in the bill, and since he believes it will be in the national interest for the Export-Import Bank to treat the Soviet Union like all other countries, that is exactly what the Senate is going to deliver to him. I hope the President will not use this discretion, although he has indicated he will.

I hope that I am mistaken. I hope that the policy will work, but I do not believe it will. The only policy which has worked so far has been a policy of firmness.

When President Kennedy used a firm policy for a short time in respect to Cuba, and put a blockade on Cuba, it worked. When President Kennedy sent troops into Berlin, it worked.

Every other time, when we have failed to use a policy of firmness, it has not worked.

I believe this will be a significant action on the part of the Congress—failing to write in a prohibition to prevent the American taxpayers from having to underwrite the credit of the Soviet Union.

Furthermore, I suggest that refusing to write in such prohibition will be a gesture in futility in any event, because I believe when the record is written the Soviet Union probably will pay hard dollars or gold for surplus commodities, and so the credit of the Export-Import Bank will not be used anyhow.

I hope that there will not be a repetition of this situation. It is too bad that the executive branch of the Government has seen fit to put pressure on the legislative branch to grant this discretionary authority, because I believe the majority of the people of the United States do not want to treat the Soviet Union the same as other countries.

I thank the Senator from Rhode Island for his gracious yielding to me of his time.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, an article from the New York Times of December 19 entitled, "United States To Challenge Soviet Over Dues."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES TO CHALLENGE SOVIET OVER DUES—WILL INSIST U.N. SUSPEND RIGHT TO VOTE UNLESS THEY ARE PAID, STEVENSON SAYS

(By Thomas J. Hamilton)

UNITED NATIONS, N.Y., December 18.—Adlai E. Stevenson indicated today that the United States would insist upon suspending the Soviet Union's right to vote in the General Assembly if Moscow did not pay its overdue assessments to the United Nations.

The U.S. representative said he hoped the Soviet Union, which has refused to pay its assessments for the United Nations Congo and Middle Eastern forces, would pay.

Mr. Stevenson declared that the future of the United Nations as an action agency was threatened by the refusal of the Soviet Union and other members to pay their assessments for the two forces.

The Soviet Union now owes \$36,984,971 on the Congo force and \$15,638,166 on the Middle Eastern force. It confirmed yesterday its refusal to pay its share of certain other United Nations activities, which it terms illegal.

LIABILITY TO ARISE SOON

On January 1, therefore, the Soviet Union will become liable to action under article 19 of the Charter, which provides that a member owing the equivalent of 2 years' contributions "shall have no vote in the General Assembly."

"Rigid adherence to the law, to the Charter, is essential to the Charter's preservation," Mr. Stevenson said. "Once you begin to contaminate or erode or interpret the Charter too flexibly, you very soon will have no sustaining body of legal structure to support the United Nations."

A British source commented today that enforcement of article 19 should be automatic, but said "We hope it will never have to be used."

France, Nationalist China, and a number of other members are in arrears on assessments for either the Congo or the Middle Eastern force or both. Most of them, including France, will not become liable to the 2-year rule before 1965.

Dr. Carlos Sosa Rodriguez, President of the 18th General Assembly, declared at a news conference that the decision whether to enforce the delinquency provision involved political as well as legal issues.

Unless a special session is held, the Soviet Union's liability to the 2-year rule cannot become a practical issue until the 1964 session of the Assembly begins next September. Dr. Sosa declined to say how he would rule if he were elected President of a special session.

RULING AVOIDED EARLIER

Dr. Sosa added that there were no precedents in the matter, since Muhammad Zafrulla Khan, President of the special session held last spring, did not make a ruling on the right to vote of Haiti, which had come under the 2-year rule.

Mr. Zafrulla Khan announced that he would enforce the rule under certain circumstances, but Haiti paid up before he did so.

Both Dr. Sosa and Mr. Stevenson expressed satisfaction with the reduction of tension that became evident during the 1963 session of the Assembly, which ended last night.

The Assembly President said the session had retained the "spirit of understanding and compromise" produced by the treaty prohibiting all except underground nuclear tests. In this connection, he called attention to

the unanimous votes on resolutions regarding disarmament and outer space.

SMALL POWERS IN REVOLT

Dr. Sosa said the small powers had revolted against the great powers by adopting resolutions calling for the expansion of the Security Council and the Economic and Social Council.

The great powers either voted against or abstained on the resolutions, which will result in amendments to the charter if the great powers give their consent.

Mr. MAGNUSON. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield to the Senator from Washington.

Mr. MAGNUSON. The senior Senator from Massachusetts [Mr. SALTONSTALL] has been a hard worker, in his usual way, in this field. I know there are some things he would like to have cleared up for the sake of the legislative history.

I wish to join the Senator in asking this question: I note that the conference committee has made available to the Agency for International Development a total of \$177 million in the contingency fund, \$50 million in new authority and \$127 million in carryover.

Mr. PASTORE. That is correct. This is actually \$17 million more than the \$160 million contained in the authorization bill.

Mr. MAGNUSON. So the additional amount is actually only \$17 million?

Mr. PASTORE. That is correct; over and above the original amount.

Mr. MAGNUSON. Is it the intention of the conferees that this contingency fund shall be available to meet unforeseen or unascertained needs and other deficiencies in the present fiscal year?

Mr. PASTORE. The answer is in the affirmative. We felt that the President and the Administrator of AID should have this needed flexibility.

Mr. MAGNUSON. Because, of course, we have gone for several months.

Also, to make legislative history, is it the intention of the conferees that this fund shall be available to meet vital U.S. commitments and requirements, should this be necessary in connection with the program?

Mr. PASTORE. Certainly. Under the authority of the Foreign Assistance Act,

the contingency fund may be used to meet the needs of the program—through any of the categories—such as supporting assistance, development grants, and development loans—whenever necessary and important to the national interest.

Mr. President, I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I shall vote in favor of the conference report. I came here for this purpose. I shall vote to accept the agreement which has been made as a substitute for amendment No. 20, the so-called Export-Import Bank guarantee. The fundamental reason for bipartisanship in foreign policy is that when we make a national or international agreement, after full and fair debate, the dignity of the United States is at stake. I think it is shortchanging our country and derogating our own dignity, importance, and strength in the world to cut off a little piece of the authority to negotiate, especially when it is an established commercial type of guaranteed loan, 18 months in this case, such as that proposed by the amendment which the Senator from South Dakota [Mr. MUNDT] sponsored.

I think this is a fair settlement. We all understand that the national interest of the United States is at stake. It is for that very reason, in my judgment, that the settlement should be approved and we should support what the conference committee has done.

To my mind, it is essential that we close our ranks after full debate, reserving every right to criticize, initiate new ideas, and fight for what one thinks should be done; but when we finally close ranks, we should stop niggling about details and vote for the conference report.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative statement of appropriations for 1963, estimates and amounts recommended in the bill for 1964, and the conference amounts agreed to on the foreign aid and related agencies appropriation bill for fiscal year 1964.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964

TITLE I—FOREIGN AID (MUTUAL SECURITY)

Item	Appropriations, 1963	Budget estimates, 1964	House allowance	Senate allowance	Conference allowance
FUNDS APPROPRIATED TO THE PRESIDENT					
ECONOMIC ASSISTANCE					
Development grants.....	\$225,000,000	¹ \$257,000,000	\$150,000,000	\$175,000,000	\$155,000,000
American schools and hospitals abroad.....		² 20,000,000	14,300,000	14,300,000	14,300,000
American hospitals abroad (special foreign currency program).....	2,800,000	² 2,000,000	4,700,000	4,700,000	4,700,000
Investment guarantees.....	30,000,000				
International organizations and programs.....	143,900,000	³ 136,050,000	100,000,000	130,803,000	116,000,000
Supporting assistance.....	395,000,000	⁴ 435,000,000	300,000,000	380,000,000	339,000,000
Contingency fund.....	250,000,000	⁵ 300,000,000	50,000,000	32,900,000	50,000,000
Inter-American social and economic cooperation program.....		² 200,000,000	100,000,000	180,000,000	135,000,000
Alliance for Progress, development loans.....	425,000,000		350,000,000	425,000,000	375,000,000
Alliance for Progress, development grants.....	100,000,000		80,000,000	100,000,000	80,000,000
Alliance for Progress.....		⁶ 650,000,000			
Development loans.....	975,000,000	⁷ 1,060,000,000	600,000,000	800,000,000	687,300,000
Administrative expenses, AID.....	⁸ 49,500,000	57,250,000	50,000,000	50,000,000	50,000,000
Administrative expenses, State.....	⁹ 2,700,000	3,025,000	2,700,000	2,700,000	2,700,000
Subtotal, economic assistance.....	2,603,900,000	3,120,325,000	1,801,700,000	2,295,503,000	2,000,000,000
MILITARY ASSISTANCE					
Military assistance.....	1,325,000,000	¹⁰ 1,405,000,000	1,000,000,000	977,700,000	1,000,000,000
Limitation on administrative expenses.....	⁸ (24,500,000)	(25,000,000)	(24,000,000)	(24,000,000)	(24,000,000)
Total, title I, foreign aid (mutual security).....	3,923,900,000	¹⁰ 4,525,325,000	¹⁰ 2,801,700,000	¹⁰ 3,299,503,000	¹¹ 3,000,000,000

Footnotes at end of table.

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964—Continued

TITLE II—FOREIGN AID (OTHER)

Item	Appropriations, 1963	Budget esti- mates, 1964	House allowance	Senate allowance	Conference allowance
FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps.....	\$59,000,000	\$108,000,000	\$89,000,000	\$98,100,000	\$92,100,000
Reappropriation.....		(3,900,000)	(3,900,000)	(3,900,000)	(3,900,000)
Limitation on administrative expense.....	¹² (15,500,000)	(20,500,000)	(19,500,000)	(20,300,000)	(19,900,000)
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
Ryukyu Islands, Army, administration.....	8,954,150	14,366,000	10,000,000	10,000,000	10,000,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States.....	70,110,000	70,000,000	56,000,000	39,717,137	39,717,137
Reappropriation.....			(14,082,863)	(14,082,863)	(14,082,863)
DEPARTMENT OF STATE					
Contributions to International Organizations.....		¹³ 18,374,000	18,374,000	18,374,000	18,374,000
Migration and refuge assistance.....	14,947,000	¹⁴ 10,683,000	10,550,000	10,550,000	10,550,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Investment in Inter-American Development Bank.....	60,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Subscription to the International Development Association.....	61,656,000	61,656,000	61,656,000	61,656,000	61,656,000
Loans to the International Monetary Fund.....	2,000,000,000				
Total, title II, foreign aid (other).....	2,274,667,150	333,079,000	295,580,000	288,397,137	282,397,137

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses.....	(\$1,295,000,000)	¹⁵ (\$1,314,366,000)	(\$1,314,366,000)	(\$1,314,366,000)	(\$1,314,366,000)
Limitation on administrative expenses.....	(3,122,550)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total, title III, Export-Import Bank.....	(1,298,122,550)	(1,317,866,000)	(1,317,866,000)	(1,317,866,000)	(1,317,866,000)

TITLE IV—LEGISLATIVE BRANCH

LEGISLATIVE BRANCH					
Senate:					
Payment to widow of deceased Senator.....				\$22,500	\$22,500
Contingent expenses of the Senate:					
Miscellaneous items, 1963.....				190,000	190,000
Miscellaneous items, 1964.....				215,000	215,000
Stationery (revolving fund).....				60,600	60,600
Total, Senate.....				488,100	488,100
House of Representatives:					
Payments to widows of deceased Members.....			\$67,500	67,500	67,500
Contingent expenses of the House:					
Miscellaneous items.....		¹⁶ \$925,000	925,000	925,000	925,000
Reporting hearings.....		¹⁷ 48,000	48,000	48,000	48,000
Special and select committees.....		¹⁸ 763,500	665,500	665,500	665,500
Telegraph and telephone.....		¹⁹ 515,000	515,000	515,000	515,000
Stationery (revolving fund).....		²⁰ 523,200	523,200	523,200	523,200
Postage stamps.....		²¹ 91,420	91,420	91,420	91,420
JOINT ITEMS					
Joint Committee on Immigration and Nationality Policy.....		²² 140,460			
Education of pages.....		²³ 2,655	2,655	2,655	2,655
Total, House of Representatives.....		3,014,235	2,838,275	2,838,275	2,838,275
Total, title IV, legislative branch.....		3,014,235	2,838,275	3,326,375	3,326,375

TITLE V—INDEPENDENT OFFICES

HISTORICAL AND MEMORIAL COMMISSIONS					
New Jersey Tercentenary Celebration Commission.....		\$150,000		\$150,000	\$150,000

TITLE VI—CLAIMS AND JUDGMENTS

CLAIMS AND JUDGMENTS					
Federal.....		²⁴ \$12,982,095	\$12,982,095	\$12,982,095	\$12,982,095
District of Columbia.....		²⁵ (22,238)	(22,238)	(22,238)	(22,238)
Grand total, all titles of the bill.....	\$6,203,567,150	4,874,550,330	3,113,100,370	3,578,058,607	3,298,705,607

¹ Reflects reduction of \$18,000,000 contained in H. Doc. 101.
² Contained in H. Doc. 101.

³ Reflects reduction of \$45,200,000 contained in H. Doc. 101.
⁴ Contains increase of \$38,000,000 contained in H. Doc. 101.

⁵ Reflects reduction of \$100,000,000 contained in H. Doc. 101.
⁶ Reflects reduction of \$50,000,000 contained in H. Doc. 101.

⁷ Reflects reduction of \$188,000,000 contained in H. Doc. 101.
⁸ Excludes Pay Act costs, derived by transfer from "Economic assistance" and

"Military assistance" appropriations.

⁹ Reflects reduction of \$75,000,000 contained in H. Doc. 101.

¹⁰ In addition, \$209,000,000 in unobligated balances.

¹¹ In addition, unobligated balances now estimated at \$259,000,000.

¹² Excludes Pay Act costs derived by transfer from "Peace Corps" appropriation.

¹³ Contained in H. Doc. 174.

¹⁴ Reflects reduction of \$1,117,000 contained in H. Doc. 83.

¹⁵ No specific limitation proposed, amount shown is proposed program.

¹⁶ Contained in H. Doc. 182.

Mr. MAGNUSON. Mr. President, will the Senator yield for half a minute?

Mr. PASTORE. I yield 1 minute to the Senator from Washington.

Mr. MAGNUSON. I understand that there is being put in the RECORD action not only on this bill, but action of the Congress on other appropriation bills, in relation to the amounts recommended by the budget.

Mr. PASTORE. Yes; we intend to do so at the conclusion of action on the foreign aid bill.

Mr. MAGNUSON. How much did this Congress, which has been so criticized about spending, appropriate under the budget recommended by the President of the United States?

Mr. PASTORE. More than \$6 billion.

Mr. MAGNUSON. More than \$6 billion under the budget recommendation?

Mr. PASTORE. That is correct.

Mr. MAGNUSON. I know that all members of the various subcommittees of the Appropriations Committee feel that, even though we were pressed for time because the House did not act as quickly as we thought it should have acted on appropriation bills, we probably have ended up with as good a fiscal year as any.

Mr. PASTORE. That is a significant observation by the Senator from Washington. The Senator from Washington is chairman of the Subcommittee on Independent Offices Appropriations, which had before it a budget estimate of over \$14 billion. His committee ended with a cut of \$1,434,069,950. That was a Herculean task.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. From this side of the aisle, I support the conference report. It was arrived at with a great deal of thought and care. The compromise, while not as good as we would like to see from the Senate side, on the whole is as satisfactory as we can get. I congratulate the Senator from Rhode Island, who conducted the negotiations on the part of the Senate. I hope that we on this side helped to arrive at a bill that was satisfactory.

Mr. PASTORE. I thank my neighbor from the great State of Massachusetts. It is always a pleasure and privilege to work with him. While we did not attain all of our goals, I think the result is reasonably satisfactory.

Mr. SALTONSTALL. I understand the problem with respect to the contingency fund has been satisfactorily worked out in the conference report.

Mr. PASTORE. That is correct.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from California.

Mr. KUCHEL. Mr. President, as long as encomiums are being uttered in the Chamber, I want to add my own. I want to congratulate the Senator from Rhode Island. It is true that he had bipartisan support in the exertions which have occupied most of the past several weeks on the floor and in the long series of conferences. The Senator

from Rhode Island rendered a great service. He acted not as a partisan, but as an American. I was with him on a number of occasions. I say, to him, "Well done."

SPEECH BY SENATOR JAVITS BEFORE SENATE OF THE REPUBLIC OF MEXICO

Mr. KUCHEL. On another subject, a few days ago, one of our colleagues, the distinguished senior Senator from New York [Mr. JAVITS], had the unique privilege of speaking to the Members of the Senate of the Republic of Mexico. The Senator from New York spoke to that Senate, in the public service, both in Spanish and in English.

Senators know that over the years, as a member of the North American Treaty Organization Conference of Parliamentarians, our able colleague has been most assiduous in endeavoring to develop a new base by which countries in the Western Hemisphere might be given assistance from the private sector of the Nation's economies as well as from the Alliance for Progress. Our colleague discussed some of the thoughts that have been developing from labors in the NATO Conference.

I ask unanimous consent that portions of the speech which he delivered be inserted in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS OF U.S. SENATOR JACOB K. JAVITS, REPUBLICAN, NEW YORK, BEFORE THE SENATE OF THE REPUBLIC OF MEXICO, DECEMBER 26, 1963

Me da mucho gusto el hacer uso de la palabra ante este honorable Senado de una Republica hermana. [It gives me much pleasure to address this Honorable Senate of a sister Republic.]

Traigo para todos ustedes los mas cordiales saludos de mis colegas del Senado de los Estados Unidos. [I bring to all of you the most cordial salutations of my colleagues of the U.S. Senate.]

Puesto que es necesario que mis palabras sean muy exactas, les pido permiso de habiariar en mi propia lengua. [Since it is necessary that my words be very exact, I ask your permission to speak in my native tongue.]

Two points stand out as the scene of Mexican-United States relations is surveyed. Both are based on an unparalleled era of good feeling and mutual confidence in the stability and good will of each country to the other. I feel it just to say that the good neighbor policy between the United States and Latin America is now to be succeeded by the good partner policy.

First, that Mexico is among the first of the Latin American Republics to look outward to the other American Republics and to be ready to help them with technical assistance, financial investment and similar leadership joining with the United States in association to give greater assurance of success to the Alliance for Progress.

Second, that Mexico has discovered the secret of stable democratic government to be in the economic enfranchisement of the people which through the freedom of choice of training, occupation, and location made possible by private enterprise system can realize all the practical advantages which socialism has promised while retaining free institutions for the people.

There are sharp challenges ahead and coming days may be darker than those we have already seen in the threats to the freedom of the individual republics of the Americas

from the extreme left and extreme right, but we can also discern the mountaintop in the sun of peace, stability, and well-being in freedom and the road which leads to it—that road is the enhanced spirit of self-help and mutual cooperation outside the North American Continent which, under the leadership of Mexico and other similarly minded American States, will give a new meaning to the Pan American and Inter-American systems and much more auspicious hope for the success of the Americas. An extraordinary beginning is being made in the North American Free Trade Association and in the Central American common market. In company with Senator HUBERT HUMPHREY of the United States and with associates of the leaders of private enterprise in the United States and Europe, and under the auspices of the NATO Parliamentary Conference, I am preparing a new private enterprise investment company initiative known as ADELA (Atlantic Community Development Group for Latin America) to work in selected Latin American countries in association with its private enterprises, and in association with the Inter-American Development Bank to finance and render technical assistance to middle level manufacturing, distributing and service enterprises both industrial and agricultural but not in the extractive industries. This investment company is to be established in Paris on January 10 and 11 next, with the interested consultations of high officials of the OECD and the OAS. I expect Mexican private enterprise to be an important investor in this project.

It is these initiatives which will enable the Latin American Republics to recognize the mutual economic and social interdependence of each other and mark a new high point in the expectations for success of the Americas.

As we hail this auspicious outlook for Mexican-United States relations, we are deeply gratified by the conclusion of the Chamizal Treaty—for the ratification of which I had the honor to vote in the U.S. Senate only last week—an outstanding tribute to the high ideals and diplomatic achievements of President Lopez Mateos and his Ministers and the Congress of the Republic, as it is to our beloved and tragically deceased President Kennedy, to President Johnson, and to our gifted Ambassador Thomas Mann, who has just been called home for such important duties in Latin American affairs.

Mr. PASTORE. I thank the Senator from California for his complimentary remarks. It is always a pleasure and a privilege to work with him.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the senior Senator from South Dakota [Mr. MUNDT] is in his State and could not be present for today's session. He had prepared a statement on the conference report, as a member of the House-Senate conference committee on the foreign aid appropriations bill.

I ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MUNDT

As the author of the original proposal (S. 2310) to forbid the extension of credit guarantees to Russia and the Communist bloc countries and as one of the members of the Senate conferees, I want to commend the entire conference committee on the effective compromise provisions which we were

able to develop to discourage the granting of public American credit to the Communist dictators.

Special credit is, of course, due the House Members of the conference committee and the House itself in stubbornly refusing for a long time to yield from the position taken by the House in voting to attach the original language of S. 2310, which was known in the other proposal as the Mundt-Findley amendment to the foreign aid appropriation bill.

On a series of separate rollcalls the Members of the House voted to insist upon the straight-out prohibition carried in the language of S. 2310 and the tenacity of the House conferees, supported by the House membership, finally made it clear to the White House and the Democratic leadership of both Houses that if the foreign aid appropriations bill were to be enacted at all it would have to contain some form of prohibition disapproving the proposal to grant "credit card privileges" to the Communists under arrangements whereby our American taxpayers have to make good the bad debts and pay the bad bills of the Communists after they have received the products purchased with dollars made available to them through the American Export-Import Bank.

While I, of course, continue to prefer the original language of S. 2310 which constituted an outright congressional prohibition against the use of American public credit to initiate a new program of economic assistance for Communist countries I must say I am pleased with the final outcome of the congressional proposal to discourage—if we could not entirely deny—the proposed policy of extending American economic assistance to both sides of the cold war at the same time. Such a self-defeating American foreign aid program, in my opinion, can benefit nobody but the Communist and can ultimately destroy whatever benefits the free side of the cold war has derived from the more than \$100 billion which our American taxpayers have already expended to support our friends, our allies, and the neutral nations overseas. The compromise language which we finally developed in the conference report and which has been adopted by the House is a significant and important policy recommendation by Congress and a firm expression of congressional intent. It contains the same specific prohibition against extension and guarantees of credit to the Communist nations contained in S. 2310 but it provides an escape clause to be used by the President of the United States only—and I repeat only—when he himself finds in the case of each proposed credit transaction that he believes it to be in the national interest of the United States to guarantee the good credit, the good faith, and the good intentions of the Communist dictators whose menace to peace and threats to freedom are considered by the President and the Congress so great that in this session half of the money we have appropriated is for the purpose of protecting the free world against further Communist encroachments and the expansion and development of Communist military and economic imperialism. In view of the determined opposition of the White House to have this heavy and direct responsibility fastened upon the President under the report terms written by the conference committee I think it has vast significance that the opposition to extending public credit to Communist dictators was so strong that in the House during its long series of votes on the subject the Democratic leadership did not even dare make an attempt to delete entirely this significant prohibition which is now included in the conference report presently before the Senate.

In view of the foregoing factors and facts I dare to hope that President Johnson will seldom if ever find it in our national interest to jeopardize the money of the Amer-

ican taxpayers for the purpose of strengthening the muscle and increasing and expanding the capacity of our Communist offensive adversaries and so certify such findings from both Houses of Congress as provided by the compromise version of the so-called Mundt-Findley amendment in the legislation now before us.

I am confident there are many in Congress and throughout the country—and I include myself among them—who will want to scrutinize each such transaction most intently and carefully if it should actually eventuate and be authorized. I am also confident that if this administration ventures very far or very often into the self-defeating policy of using American credit to support and sustain global communism it will find it will be increasingly difficult if not impossible to induce the Congress ever again to appropriate large scale funds for foreign aid and assistance to countries whose very need for such assistance will have been created and increased by our short-sighted policy of strengthening the power of Communists to imperil and undermine our friends in foreign lands who live outside the Communist complex.

Thus, I am well satisfied with the policy declaration and the specific prohibition in this matter contained in the conference report and by the work accomplished by the House-Senate conference committee in writing into this foreign aid appropriations bill a clear-cut statement of public policy and a prohibition which can be voided only by specific Presidential action to be publicly reported in each case within 30 days to both Houses of Congress.

While it has taken nearly 30 days and a total of seven separate rollcalls—three in the Senate and four in the House—to accomplish the result, I feel that Congress has now established a policy which I believe the administration will find much more productive and constructive to follow as compared with the results of utilizing its hard won and closely confined escape clause to flaunt and violate the intent and purpose of Congress. In fact, I very much hope that in view of the expressed opposition of Congress as clearly recorded in the compromise version of the original language of S. 2310, that this ill-fated "Operation Communist Credit Card" will seldom if ever take place.

Thus, as a member of the conference committee which developed this so-called compromise amendment, I wish to be recorded as favoring the approval of this conference report. Since this prohibition was lacking in the foreign aid appropriations bill at the time it passed the Senate I then voted against the foreign aid appropriations bill. Since we have now added this important protection, I would vote "yes" on the final rollcall if I were able to be present for that vote and I am hopeful that a pair can be arranged showing my position as voting in favor of final passage of the foreign aid appropriations bill of 1963 as now amended by the language of the conference committee report.

Mr. PASTORE. Mr. President, I understand the distinguished Senator from Oregon has 5 minutes remaining. I am ready to yield back my time, if he is ready to do so.

Mr. MORSE. Mr. President, I shall yield back my time, except for the time required to place various items in the RECORD.

Mr. President, I ask unanimous consent that the following items be inserted in the RECORD immediately following my speech earlier today. It has been necessary, because of the danger under which the correspondents who wrote these letters live in the areas involved, that the

letters be placed in the RECORD without their names being printed.

First is a letter from an American in the Dominican Republic calling attention to the shocking conditions that exist under the regime of the Dominican Republic that the United States so unfortunately recognized.

Mr. President, one need only read letters such as these, which I ask to have printed in the RECORD, to realize how important it is that there be a thorough review of the American military and economic aid so far as the Dominican Republic is concerned. So long as the conditions portrayed in these letters prevail in the Dominican Republic under the dictatorship now controlling that unfortunate land, which the U.S. Government has recognized, no military or economic aid from the United States to the Dominican Republic can possibly be justified on moral grounds, or in keeping with our professions about our desire to establish freedom in Latin America, rather than dictatorships.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 12, 1963.

Senator WAYNE MORSE,
Washington.

DEAR SENATOR MORSE: I had the pleasure to write you about 2 months ago from the Dominican Republic, where I lived 2 years. You may remember I routed the letter to you inside another letter, so that the envelope wouldn't be seen. This is because you are very unpopular with the new dictatorship there, but let me assure you, with the people, because of your strong stand, you are a savior, the representation of an America at long last decided against dictatorship for the "lesser breeds"—your constituents, so far off, have in their wisdom, also given a great hope to a most unfortunate nation of three and a half million: as an American citizen who also loves the Dominican Republic, I can only ask, that you will continue in your good work.

If you are going through with your plan to visit the Inter-American University in San German, Puerto Rico, I urge you Senator, to set aside a little time to speak privately to some of the Dominican students there. Should that great Abraham Lincoln of the Caribbean, Juan Bosch, be present, I don't think the boys will be inhibited. Bosch is an old shoe, his majesty being a purely natural thing with him.

Senator MORSE, in the almost 2 months I spent in the Dominican Republic after the new dictatorship took over from Juan Bosch, I have seen with my own eyes thousands of people, on many occasions, tear- and nausea-gassed by the police. Students kicked and beaten, for trying to march or demonstrate, and in one case I watched a night high school student die, with a bullet hole through his abdomen. The police let him bleed for an hour and three-quarters before taking him to a hospital. A girl of 22 with three children, with her arms both broken and teeth knocked out by police. Among my own personal circle, I can count beatings, many jailings, exiles, two broken arms, an official stabbing, and so on. The "civilian junta" or triumvirate, as it is called in the now controlled news, is a military dictatorship, trying to impose control through terror.

Enclosed please find a copy of a letter I have written to President Johnson.

If my 2 years of study of the Dominican Republic can be of any service to you, Senator, then I would like the opportunity to speak to you, whether for a year or 5 minutes.

Please let me know any time, any place—long or short duration.

With all best wishes,

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter which the writer of the previous letter sent to the President of the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 12, 1963.

DEAR MR. PRESIDENT: Last month I returned to the United States after 2 years in the Dominican Republic. In the course of beginning a business there, and teaching in my own school, I learned the Dominican Republic from one end to the other. I know well enough hundreds or perhaps thousands of people, from little workers and little farmers, to President Bosch, one of the members of the new triumvirate dictatorship (Manuel Enrique Tavares Espallat) also students, great rich—all of them.

I should like to make to you, five points. Because I love the Dominican Republic, and of course our country: I don't want to see either of them go wrong.

1. Under the government of Juan Bosch, there was complete freedom of movement, opinion, publication, expression. Law was enforced, and there was no cause for, nor interest in, rebellion.

2. The leftover Trujillo military, in combination with the great hereditary rich, seized power on September 25, 1963, and have enforced a new dictatorship by expulsion, imprisonment, death, torture, terror.

3. Pacific resistance (petitions, demonstrations, etc.) by the people has failed. Approximately in the middle of November, violence began, and it appears that now on about 11 fronts in the country there is fighting in the mountains and countryside. The triumvirate claims this is a Communist movement. Naturally, they must, to excuse their suppression of it. One of the leaders on one of the fronts is "Manolo" Tavares, leader of leftist "14th of June" party. It is to be noted that the new government did not outlaw "14th of June" until after the conflict began.

4. But the resistance is in truth universal, and is being joined by upper and middle class and urban youth of the lower class, none of whom are Communist, but, it is fairer to say, represent all shades of political opinion. The extremes of the fighters might be expressed as follows:

(a) Right: We want democracy. Since it has been taken away from us, and kept away from us by force and violence, we must fight to get it back.

(b) Left: We want social justice. Since the oligarchic and military classes have again prevented us from reaching social justice, as they have, ever since Columbus, we must, at long last, destroy these classes by violence, since they will not submit to legal reform.

5. What should the United States do? Reaffirm, strongly, present policy, but declare unequivocally, which it has not yet done, that we will not ever recognize or help the present dictatorial regime. Then hope that as it collapses, as it must, democracy will be reinstated by some formula, which, though weak, can be swiftly aided by us, if only by recognition.

We have, for the first time there, now, a great reservoir of good will, among the people, for not recognizing the new dictatorship, and we should not lose it.

It should be noted that news from the Dominican Republic is at a virtual standstill. I know that when the new dictatorship began, I became correspondent there for UPI, and Rafael Herrera, director of the newspaper *Listin Diario* became correspondent of Associated Press. We both sent out the news

in abundance, and both got into disgrace with both the triumvirate and also El Caribe the government newspaper now, which is AP's and UPI's biggest customer there. We were both silenced, and while I read little or nothing of the Republic in our papers here, I know that a great deal is going on in that unhappy country now.

I should like to express my extreme willingness to come to Washington and talk with anyone who feels that I might contribute some useful information, at any time.

And at this sad time * * * etc.

Mr. MORSE. I ask that the names of all the writers of the letters be deleted.

Mr. President, I ask unanimous consent that another letter, which I have received from a Peace Corps student from my State, who is spending some time in the Dominican Republic, be printed in the RECORD at this point, with the writer's name deleted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator WAYNE MORSE,
Senate Subcommittee on Latin America,
Washington, D.C., United States of America.

DEAR SENATOR MORSE: Both as a Peace Corps volunteer in Latin America, and as an Oregonian (Portland), I have a personal stake in your actions and opinions. Although because of my present situation, it must be off the record, I want to tell you that I cheer your stand on nonrecognition of the defacto government here in the Dominican Republic.

This toboggan run of takeovers must cease sometime, and now is an opportune time to make our stand. The Alliance for Progress is a long way off from achieving its objectives in Latin America, and these objectives or any other significant improvement will never be realized as long as the masses do not have hope.

Last December hope had a beginning—for the first time in their lives, the campesinos' voice had some meaning, and their votes put a man in office. But the recent "golpe de estado" not only made a mockery of that democratic election, it also proved once again that the campesino does not count, that the wealth and power groups will run the country the way they want to.

We Peace Corps volunteers are sick at heart with this turn of events, and are solidly behind your stand. I sincerely hope that we never recognize this current regime or any stooge that they substitute. Representative and responsible government must succeed, or we must resign ourselves to hand-out aid programs and forget our democratic ideals.

Mr. MORSE. Mr. President, the next letter written to me comes from a young man from Oregon, who has spent 2 years with the Peace Corps stationed in Colombia, South America. The writer indicates some of the problems which confronts us in the Alliance for Progress program, and shows the need for a thorough review of the foreign aid program.

I ask unanimous consent that the letter may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 16, 1963.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: As I near completion of my 2-year service in the Peace Corps I am taking the liberty of sharing with you

a few of my experiences which, as chairman of the Senate Latin Affairs Committee I hope you will find to be of some interest.

For the past year and a half I have been involved in a job termed community development. This may best be defined as a process whereby unorganized communities recognize, examine, and resolve their problems through unified action. My job has been that of "promoter" or "community organizer" which has involved not only work with the people at the village level, but also as a mediator between the various government and private supporting agencies and the campesino. Community development as you know is a relatively new field, and of course there have been failures as well as successes. As in any learning process however, they have combined to restructure, animate, and enforce our approach. This program has come a long way in 2 short years, and I am proud to have been part of it. The experience I have gained is invaluable, not only in terms of learning a new language, but more important in the understanding of a people and the confidence which comes from such an understanding.

You are well aware of the immense problems which face Latin America and the various approaches our aid missions have used in trying to help. I have only been here for less than 2 years and could not possibly claim to be an expert on Latin American affairs. In these 2 years, however, I have gotten to know the people and their problems, and I have seen where the U.S. aid mission has helped—and where it has failed. You have undoubtedly heard the same old song of how our aid seems to always get tied up in government bureaucracy and fails to reach the common people, the very ones we are all sincere in trying to help. This is, Senator MORSE, tragically true. The fault does not just lie with our own people, many of the problems come from these countries' own bureaucratic systems. What is true is that it does exist and must be corrected. But how? In what ways can aid be made really helpful and meaningful?

Here in Colombia we see a few rays of light, a few changes are coming about. We have been in on the first steps of these changes and what we have seen and experienced has been encouraging. Where there have been Peace Corps volunteers working on a local level with the people, examining their problems together and working democratically to better their lot, there has been progress. Where communities are awakened and begin to work together the material improvements not only appear, but much more important, pride and community responsibility appear; this, Senator MORSE, is what our aid mission should try to seek and where our aid should be directed.

The basis of the problems stem from the lack of individual civic responsibility on the part of the citizen due to a parental social system which has been maintaining him at a subsistence level for over 40 generations. It is this individual civil responsibility which we are endeavoring to instill and it is only on this basis that a community, large or small, may progress. Our insistence on this approach to the aid problem has led to the development of a community development government agency (here called *Acción Comunal*) which in adopting our methods is emphasizing the "individual factor" in community development. Social workers are being trained not to encourage the "what can you do for me" idea that permeates all the social strata, but rather "what can I do for myself and my community."

In many areas this idea is taking hold, and where it has, the progress is encouraging. We have seen work teams formed to raise a school; communities unite to carve a road out of a mountain to get their crops to market; fiestas and bazaars presented to raise money to build an aqueduct where there had never been fresh water before. These

were the material projects, but underneath all of this there has sprung from a previously apathetic people a revolutionary change, community pride and responsibility.

Of course these schools, roads, etc., are needed, but we are not able to supply them all, and even if we could it would not end the social problems that are their cause, and in my opinion much more serious. We cannot force governments to change their policies, even though we may be convinced these changes basic; many are. If we are really sincere, and I am sure we are, we can direct our aid to programs such as the one I previously described, and from these the changes will come about. They will not come about because the United States said they had to or because we used our aid to pressure them, but rather because newly awakened communities will demand them. Through this system our aid can be meaningful, through this system an alliance can truly be an alliance, not just another gift.

I have written with the hope that my experiences and opinions from 2 years of service in the Peace Corps may be of some interest to you. I will be returning to the United States with my Colombian bride in early March and will be in Washington, D.C., for several days on my way to Oregon. I would feel it a great honor to meet you and if possible discuss these matters further.

Thank you for your kind attention.

Mr. MORSE. Mr. President, the next letter I have received comes from an American newspaperman. He includes a quotation which is explained in the letter.

I ask unanimous consent that the name of the writer of the latter be deleted. This letter bears out the criticisms I have been making of the Dominican regime since the overthrow of that country's constitutional government.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 21, 1963.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: This letter is written in the Dominican Republic although it will be mailed from the United States.

I am a correspondent here for UPI and want to assure you that your policy toward this unhappy country is completely correct.

The so-called triumvirate is a plain and simple rapacious dictatorship which is causing much suffering, not to mention economic desolation.

The United States must not recognize or aid this government. To do so would be inhuman to the Dominican people and will unleash a flood of hate, torture suffering and blood. I refer to hate toward the United States. So far we (U.S.A.) are doing fine.

We are going to see ever increasing repression and resistance on the part of the Dominicans. It is hogwash to say, as two triumvirate-paid prominent reporters say, that the resistance to the triumvirate is leftist. The resistance is universal, from left to right.

Attached to this letter please find a quote which is typical which a student gave me last night while in a newspaper office seeking aid for his imprisoned friends.

It appears that the secret election of Dr. Juan Casanovas presents an acceptable and constitutional solution—the mayors and city councils of cities of Baní and San Pedro have recognized him as President officially, and majority of people unofficially.

"We, the young Dominicans, did not look with sympathy on the politics international

of the Government of the United States because of its aid to the regimen of Trujillo in the past, but we see today with much hope the posture of President Kennedy and other statesmen of the United States, especially that of Senator MORSE, in light of coup d'état and we have hope that this position will maintain itself always, not only for Dominicans but also for all Latin Americans."

Mr. MORSE. Mr. President, I ask unanimous consent that two letters, bearing upon the shocking situation which exists in Honduras, be printed in the RECORD at this point. The recognition of the military dictatorship in Honduras is as inexcusable and as unjustified as was the recognition of the military dictatorship in the Dominican Republic. I ask unanimous consent that these two letters may be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OCTOBER 26, 1963.

DEAR SENATOR MORSE: I received the enclosed letter with instructions to mail it to you immediately.

I do not think people outside of Honduras realize what is going on under cover in that country. My husband and I were operating a dental clinic of our own back in the jungle near the Guatemalan border and having been in the country 3 years have learned something of conditions there.

My husband flew out of the country last week after the coup took place and can give an on-the-spot account of conditions there. The true report is not being given the public. On the surface reports are that the army has taken over the country peaceably, but purging is going on with loss of life and suffering.

You may wish to answer Mr. ——— letter personally and we suggest you send your letter to us to mail to him because a letter officially from Washington may arouse suspicion and cause trouble to Mr. ———. Men are being seized in that country on little or no evidence and placed in jail. Graves are dug beforehand for the executions.

"DEAR SIR: In San Pedro Sula the army dug the holes to bury their victims the day before the takeover.

"This information came direct to me from the office of the American consulate's office.

"In Cortez the holes were dug 2 days before and there were at least 57 killed there.

"This information came to me direct from the main office of the Fruit Co.

"Respectfully yours,

OCTOBER 15, 1963.

Senator WAYNE MORSE,
Senate Building,
Washington, D.C.

DEAR SIR: We, the defrauded people of Honduras, have been greatly cheered by your bold stand for the cause of democracy in Latin America. I feel that you should have a better picture of the situation so as to be able to more effectively defend the democratic interests.

In regard to the bloody coup that overthrew our Government on the 3d of this month: It should be understood that that was merely the overthrow of the Liberal Party (that has at least 73 percent of the population) by the National Party that controls the arms. A little bit of history to explain this condition: In 1932 Nationalist Tibureio Carias Andino became President of Honduras. Instead of giving elections at the end of 4 years, as was then the term of office, he stayed on by force of arms for

the 16 years referred to bitterly as the years of the "blessed peace." During this time the Liberal Party was almost annihilated by murder, prison, torture, and exile for those who were so fortunate as to escape. The press was censored. There was no chance of the outside getting a picture of the atrocities that were going on within. During this period the army was built up of the sons of his trusty National Party until today there is just a sprinkling of Liberals in the army. In 1948 Carias, to impress the outside world announced elections. We had a mockery of an election with only one candidate, his hand picked Minister of War, Juan Manuel Galvez. Galvez tried to give elections in 1954 but his Vice President, erratic old Julio Lozano Diaz, grabbed power and set up a reign of terror. He was overthrown in 1956 by a truly bloodless revolution and elections free and ample were given in 1957.

As we neared another election the National Party read the handwriting on the wall and saw that 25 years of slaughter and mismanagement had eradicated their right to rule.

They chose the only road to power, their men that comprised the army. We are again driven before a gun. The first sweep took many of the leaders, and daily their arrests are justified by their righteous announcements that the "Democratic" army has captured a few more Communists. They know from 25 years of experience that if they can destroy the leaders the masses can be led by the nose.

Now, Senator MORSE, here is the danger: During the 25 years the local press impressed on the minds of the people that the United States was keeping them in power. Every favor from the United States was used as proof. One could often hear the statement, "We will stay in power as long as the United States says so." Now when this bloody slaughter started they said that a military government best serves the purposes of the United States and that the United States had engineered the coup. Then when we heard otherwise from the United States they smile knowingly and say that the U.S. politics are that way but that within a short time she will find a way of both saving face and recognizing the Government. Already the perplexed masses are casting about for a solution. You know better than I do that the Communists are expert on riding this kind of a swell. We anti-Communists argue that they are not the answer to our problem. But the masses driven by the desire for freedom and the exercise of their rights will listen to anything that sounds like a chance. And communism sounds good to an illiterate, defrauded people.

I want to express my gratefulness to the United States for her attitude in this crisis, but if we are going to save Honduras from communism I fear that you have not done enough.

Honduras is cursed with this white elephant, the army, that only serves to stab the Government in the back when we are making some progress. A police force would be all that we need to keep order.

Why spend 10 percent of our budget to maintain an army we do not need? If there is an international problem the American nations step in and order solution by arbitration instead of by force of arms. This renders the army obsolete except to the purpose of the power thirsty national party.

If the United States, as the older sister, would come in and dissolve the army we would be over the hump. I know that you will say that there is no policy for this. But we are going to have to build some bold, new policies or risk being swallowed by the Communist threat. The danger, as I see it, is that we will build them when it is already too late. Cuba is a fair example of this.

Again I thank you for what you have done, but there is more to be done. This little Republic can easily go over the brink unless something is done, and that right early. "So much to do, so little done, so little time."

I feel that the United States has not done all that she could in our situation. A nation that is strong enough to make Russia "mind" surely could have influenced this little "bush army," especially when they were using arms provided by the United States.

Very respectfully yours for a freer and safer world to live in.

(NOTE.—If this is intercepted I will cease to exist.)

Mr. MORSE. Mr. President, lastly, I ask unanimous consent that there be printed in the RECORD a letter sent to me by an American in Chile. In my judgment this letter is further evidence of the need of a thoroughgoing review by Congress—not by the President and not by any independent body, but by Congress—of our whole foreign aid program.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SANTIAGO, October 28, 1963.

HON. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: It will probably surprise but encourage you to learn that one of the most influential newspapers in Santiago, Chile—El Mercurio—recently published excerpts of your timely recommendations to the U.S. Senate. It referred to your proposal to withhold foreign aid to Chile until they correct the abuses and discriminatory taxation imposed upon U.S. investments in this country.

Kindly allow me to compliment and commend you for putting some commonsense into our foreign policy for Latin America. May I also suggest that you diligently pursue your knowledgeable and forthright proposals by translating them into an effective course of action.

Having lived in South America since 1951 I have observed the futility of the United States assuming the role of a philanthropist to buy friendship. We are neither admired nor respected in this regard. Until we insist on fair play and honest dealings the Alliance for Progress is doomed to failure; and, furthermore, our national integrity could be seriously questioned.

The very fact that your views were published here implies an acknowledgment of Chile's unfair tax legislation which singles out and takes advantage of U.S. private investments.

Ironically, Chile, during this past fiscal year has been the recipient of some of the largest Government grants to South America. To allow these grants-in-aid from U.S. taxpayers to continue unabated will not only destroy the incentive of private enterprise to invest abroad but encourage eventual confiscation of American investments in Chile and elsewhere.

I understand that no new legislation is required, merely the enforcement of existing legislation to carry out your plans. Such enforcement through normal diplomatic channels would quietly but effectively bring about corrective measures that would doubtless eliminate the unfair tax differential now imposed. In the process we will also regain our own self-respect as American citizens knowing that we have the wholehearted support and backing of the U.S. Government.

Respectfully yours,

Mr. PASTORE. I yield 3 minutes to the Senator from Connecticut [Mr. DONN].

Mr. DODD. Mr. President, this session of Congress has gone on far too long and in many ways it has been a very frustrating year for us. And I do not intend to prolong needlessly this final debate for the year 1963 on the foreign aid program.

But I do want to take just a few minutes to discuss my reasons for voting in support of this foreign aid appropriations bill.

I will vote for this expenditure of slightly over \$3 billion because I think foreign aid is an essential, indeed an indispensable, part of our foreign policy.

President Lyndon B. Johnson is absolutely right, in my view, when he says that to make too deep a cut in the foreign aid program is to undermine our basic foreign policy and to make the achievement of our worldwide objectives even more difficult than they already are.

Without military and supporting assistance, some of our staunchest cold war allies would be unable to maintain sufficient military and economic strength to help us contain further Communist encroachments into the free world.

Without economic assistance, many of the newly developing nations would be unable to sustain their efforts to provide a better life for their people.

Should these development loans and grants and American technical assistance be cut off, the Communists would be in a good position to take advantage of the resulting despair and lack of hope among the underprivileged throughout the world.

It is to a great extent American capital and technical know-how, coupled with a generous and a practical foreign aid program, which gives hope to these developing countries and their people that economic and social progress will come soon.

To cut off or even greatly diminish American foreign aid would be to strike a cruel blow to them, and I think it would detract from our prestige and position in the non-Communist world, as well as render ineffective the implementation of our basic foreign policy.

So I intend to vote in favor of this foreign aid appropriations bill because I feel it is important to us and to the rest of the free world.

And I will do so even though I am deeply disappointed that the House prohibition against the Export-Import Bank guarantee of credit arrangements for the proposed wheat deal has been weakened to the point that there is no longer any prohibition.

If the various wheat sales were to be consummated as originally announced by the late President Kennedy, and my colleagues will recall that this was supposed to be strictly a cash-on-the-barrel-head proposition, a prohibition against a credit guarantee would not have any effect at all.

The Communists were originally supposed to pay the going price for this wheat in either cash or gold and it was to be carried in American ships.

Well, what has happened to the wheat deal since then? First, despite the announcement that this was to be a cash deal, we now find that, most likely we are going to loan the Communists the money they need to pay for our wheat. And since no banker in his right mind would trust them to honor their debts, our Government must guarantee the loan. In other words, the American taxpayer is quite likely to be left holding the bag, from beginning to end.

It may be that we will get no money at all, aside from a downpayment perhaps, for in effect we will be loaning the purchase price to nations which have already defaulted on hundreds of millions of dollars worth of obligations to us, just as they have betrayed their other agreements.

On two occasions in the Senate I have voted in support of a prohibition against the Export-Import Bank guarantee of credit terms.

I cannot help but continue to question the wisdom of this wheat deal as it has evolved from the initial announcement.

I have every confidence in our President and I hope he will reappraise this situation and drive a really hard bargain with the Communists before the negotiations for a wheat sale are completed. If he is not tough, and on the basis of my knowledge of the President I am sure he will be, I am afraid the Communists will take us on this as they have on other occasions.

But the wheat deal is only one aspect of the bill before us today and the fact that my views on this wheat sale have not prevailed is not sufficient reason for me to vote against the whole foreign aid program.

It is very seldom that we have a chance to vote for exactly what we want. And I believe the good in this foreign aid appropriations bill far outweighs the bad.

Mr. MORSE. Mr. President, I yield 1 minute to the Senator from New Hampshire [Mr. COTTON].

WHEAT DEAL: AN INCREDIBLE OUTRAGE

Mr. COTTON. Mr. President, in the Union Leader, of Manchester, N.H., appeared a statement made by me regarding the vote we are about to take. To save the time of the Senate I ask unanimous consent to have this brief article appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COTTON TO CAST VOTE AGAINST AID MEASURE

LEBANON.—U.S. Senator NORRIS COTTON will not boycott Monday's showdown Senate session on foreign aid—as some Senators are planning to do—to prevent a quorum.

Contacted at his home here on Christmas, New Hampshire's senior Senator was asked if he would return to Washington for Monday's final vote on foreign aid—or stay away.

He told the Manchester Union Leader that he would return to Washington because it was his duty.

However, he revealed he would cast his vote against foreign aid—even though he knows full well that it is a lost cause trying to prevent passage of the administration bill.

PLANS "NO" VOTE

Senator COTTON emphasized that he is compelled to vote against the whole foreign

aid bill because of a provision in it that is an incredible outrage having taxpayers guarantee payment in the event the Communists default on payment for wheat.

The Cotton statement on his position in Monday's foreign aid voting:

"Of course I shall return to Washington for Monday's final vote on foreign aid. No Senator should stay away to prevent a quorum. The President, as well as the people we represent, are entitled to have every Senator present and voting.

"But I shall not vote for the foreign aid bill nor shall I ever vote for any bill that permits the sale of American wheat to the Communists on credit with the U.S. taxpayer guaranteeing the payment if the Communists default—and they have a long history of defaulting.

"To sell our surplus wheat to the Soviets for cash is bad enough. I would prefer to give it free to the hungry people behind the Iron Curtain, distributed by the American Red Cross. That, of course, the dictators would not permit. They want our wheat to help them quiet any unrest among their own people.

"If American bankers want to lend their money to permit the Communists to buy our wheat, run their own risk, and take their profit or loss, perhaps they should be allowed to do so though even that I would not approve.

"But for the Congress to deliberately put its hand into the pockets of our taxpayers to provide credit to the Communist dictators is an incredible outrage.

"Spell it any way you like, the plain fact is that our Government lets them have wheat on credit so they can continue to use their ready cash to build more missiles with which to destroy us.

"The bill will pass the Senate for they have the votes, but I predict that those who vote for it will regret that vote more than any they have ever cast. I happen to know that many Senators are voting for it unhappily and under duress.

"I honor Congressmen WYMAN and CLEVELAND who stood with a solid phalanx of nearly every Republican and many Democrats in the House of Representatives and opposed the unthinkable wheat deal to the very end.

"I shall vote against it Monday as I have twice before even though it compels me to vote against the whole foreign aid bill."

Mr. PASTORE. I yield 5 minutes to the Senator from Wyoming [Mr. McGEE].

Mr. McGEE. Mr. President, we are hearing again much talk about reorganization and evaluation of foreign aid. It seems to me that our memories tend to be a little short. Let us think back just a little. The Congress in 1961 laid the groundwork for a new and significantly more effective concentrated foreign aid program. It consolidated the many agencies and functions of U.S. foreign assistance activities into a single agency. The legislation enacted just 2 years ago took full account of the congressional concern over the past foreign aid program. The new act reflected the congressional consensus about the policy direction and established congressional guidelines for administration of this complex program.

Mr. President, over the past 5 years I have had the opportunity to make a carefully calculated sequence of inspections to the trouble spots of the world that figure so heavily in all our foreign aid activities. These missions were conducted for the Committee on Appropriations. The

most recent was a study mission in the last 2 months of 1962 to southeast Asia. As a result of this long-range survey I have had an excellent opportunity to observe our oversea assistance programs, both in countries conducting "hot wars" against Communist activities and those fighting battles against equally insidious cold war subversion attempts.

In the report following that study mission I suggested that our AID programs could be tightened up in several ways, including the more careful selection of priorities, firmer controls on the types and direction of aid, and selective cuts in personnel in AID missions.

As a result of our findings on this study mission, I delved further into the problems of AID's operations and staffing in special hearings conducted in May and June together with numerous interviews and conversations with persons concerned with many different aspects of these programs. At the conclusion of these hearings and my investigation of these problems, I made a special report to the Committee on Appropriations outlining both my findings and suggestions for future improvements. This report is available to the Members of the Senate. I might add that even during the hearings and investigations many of the problems we had encountered in southeast Asia were being corrected.

Among the suggestions made in my report were the following:

First. That the Agency take steps to equip itself with a field evaluation and survey group to provide objective evaluations of projects underway or under consideration.

Second. That a country-by-country review of existing programs be undertaken so that we will be better able to understand and evaluate our position at any given time.

Third. That recipient countries make meaningful contributions to any program instituted by AID.

These are just a few of a sizable number of suggestions and recommendations contained in this report.

As this report testifies it was a massive job to turn this aid program around. It took a longer time than many of us expected, but the fact is that the foreign aid program is now making long strides toward effectiveness.

I had an opportunity, during the hearings we conducted, to observe the new AID Administrator, David Bell. He is intelligent, tough-minded, responsible, and responsive. The Agency for International Development has indicated to me the progress made on each of the points and recommendations contained in our report.

For example, the number of aid officials on acting status has been reduced sharply; "selection out" panels, for eliminating marginal employees, have got underway; several key posts have been filled with new, competent men.

It is still true, of course, that much needs to be done, in personnel and elsewhere—but much has been done already, and much is being worked on right now.

In addition to the response being given to our report, a number of other basic

improvements have been made and are continuing under the direction of the Administrator:

First. Steps have been taken to reduce further the already small negative effect of AID on the current U.S. balance of payments. As a result, about 85 percent of the dollars appropriated for fiscal year 1964 will be spent for purchases in the United States. By next fiscal year—fiscal year 1965—it is estimated that the negative effect of AID assistance on the balance of payments will be reduced to \$500 million.

Second. Loans have become the major instrument of foreign assistance. In fiscal year 1964, 60 percent of total economic assistance will be in loans, compared to 30 percent in 1961.

Third. Special efforts have been introduced and expanded to increase the role of private enterprise, both in the developing countries and in the United States in the development effort. Since September 1962, 16 completely new investment guarantee agreements have been signed with developing countries. In 11 other countries, coverage has been expanded. During this fiscal year, the total of investment guarantees of all types will cross the \$1 billion mark. Local currency loans to private investors under Public Law 480 have increased rapidly. AID has loaned more than \$150 million in development loans to private enterprise since AID was established. AID has mounted a new program to help U.S. private enterprise to survey investment opportunities around the world.

Fourth. AID has met with increasing success in its efforts to get other industrialized nations to provide more assistance on more liberal terms. The British recently issued a white paper outlining their intention to substantially liberalize the terms on which they provide assistance. The Canadians have just announced a major step-up in their assistance effort.

Fifth. AID is hardening its loan terms as the capacity to repay of recipient countries improves. Greece, Israel, Taiwan, and Thailand provide examples of countries in which loan terms have been progressively hardened from fiscal 1962 to 1963.

Sixth. AID has completed termination of economic assistance programs to 15 countries which have achieved sufficient self-sustaining growth.

Seventh. More effective methods of administration of the program overseas have been developed. Already AID has created 10 "delegated posts" in which the ambassador performs AID functions, thus eliminating the need for a separate AID mission and director. In other countries, steps are being taken to consolidate management functions of AID, USIA, and embassies.

Eighth. Concentration and selectivity both among AID recipient countries and within individual country aid programs have been increased. Now—20 countries receive 80 percent of economic assistance—10 countries receive 80 percent of military assistance.

Ninth. Task forces were established to review all procedures for carrying out assistance programs. The first proced-

ures generated by this review have already been established. These procedures are designed to focus responsibilities more sharply, reduce paper flow, expedite action, and shift more responsibility to those charged with implementing the program in the field.

Tenth. To improve performance and minimize the need for full time permanent employees, AID is making increasing use of the vast talents of the entire American community in its assistance efforts. These include business and industry, colleges and universities, private service organizations, and other Federal Government agencies and State governments.

Eleventh. AID has exercised tighter control over personnel levels and functions. Major personnel functions have been decentralized to the four regions, thus improving efficiency and reducing duplication. Many missions have been reduced in size; others notably in Latin America have been increased. Sharp reductions in personnel have been effected in Greece, Israel, Korea, Libya, Ethiopia, and Free China. Loan officers and public safety advisers have been added—with increase offset by reduction in other technical specialties.

Mr. President, it is ironic that at the very time when our foreign assistance program is getting the best direction and guidance it has had in the last decade that we should hear demands that it be dismantled. It is ironic that just at the time when the Agency for International Development is beginning to accomplish the goals that the Congress set for it that we now hear in these halls demands for its abolition. It is ironic that at a time when the AID has changed and reformed its procedures and personnel practices that we hear demands for changes and reforms already being accomplished.

Certainly changes needed to be made; they have already been made. Certainly reforms need to be instituted; they are already being instituted. The reorganization of 1961 was in itself a major and total reorganization of our foreign assistance program designed to accomplish the very tasks its critics now claim it should be doing. It is true that the executive branch did not move with the speed and dispatch in carrying out that reorganization that some of us would have liked. But it is equally true that this is now being carried out and that it would be a grave error to interrupt that process. Indeed, demands for reorganization, overhauling, reorientation may very well be the greatest danger to achieving the efficient, effective, coherent, sensible foreign aid program that we all desire and that this country needs.

What we are seeing washed up on the beach is the wreckage resulting from a storm at sea 4 years ago. We must remember that most of the examples of waste and inefficiency being cited in this body almost occurred prior to reorganization of 1961 and prior to the present direction of the Agency.

I find it hard to understand how we can achieve continuity in the sensible planning demanded by critics of foreign aid if we are to tear it up every year,

leave it in a state of uncertainty, toss it back and forth in the debates in this Congress, wait for 6 months before we appropriate its money, and then expect it to be coherent, organized, crisp, and lean in its presentation to us and in its operations abroad.

Mr. President, there can be no doubt that this is a point in which there is unanimous agreement—that foreign aid is an essential instrument and tool of foreign policy. It can, must and will be continued in one form or another. Nearly all of the opponents of this legislation have paid that concept lip service by saying they are not opposed to foreign aid but only the way it is being carried out. If effective administration and organization is their goal, then let them study more closely, as my colleagues and I have done, its administration and operating procedures. They will find them much improved. They will find the quality of management decisions and economic judgments better now than they have been in recent memory. Areas that need to be improved are being improved. Changes that needed to be made have been or are in the process of being made.

The proper role for Congress is to establish and write policy, not to administer the executive branch. Let us confine ourselves to that more important and significant role, policymaking, not administering difficulties particularly applicable to the foreign assistance program which now has one of the best top management teams of any Federal agency. It would be ironic indeed, perhaps tragic, if this Agency were to be gutted, destroyed, or seriously crippled precisely at the time when it is meeting the criteria for effectiveness and efficiency set for it by the Congress.

Mr. PASTORE. Mr. President, I yield back the remainder of my time.

Mr. MORSE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time of debate has been yielded back and has expired.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia

[Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Michigan [Mr. HART], and the Senator from Washington [Mr. JACKSON] would each vote "yea."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Illinois would vote "yea."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Arkansas would vote "yea."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Missouri would vote "yea."

On this vote, the Senator from Arkansas [Mr. McCLELLAN] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from New Jersey would vote "yea."

On this vote, the Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Oklahoma would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE], the Senator from Colorado [Mr. DOMINICK], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

I also announce that the Senator from South Dakota [Mr. MUNDT] is absent on official business.

The Senator from New Mexico [Mr. MECHEM] is absent because of illness.

The Senator from Nebraska [Mr. CURTIS] is detained on official business.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

On this vote, the Senator from Hawaii [Mr. FONG] is paired with the Senator from Arizona [Mr. GOLDWATER]. If

present and voting, the Senator from Hawaii would vote "yea," and the Senator from Arizona would vote "nay."

On this vote, the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from New Mexico [Mr. MECHEM]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Wyoming [Mr. SIMPSON]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 56, nays 14, as follows:

[No. 284 Leg.]

YEAS—56

Aiken	Hartke	Moss
Allott	Hickenlooper	Muskle
Anderson	Holland	Nelson
Bartlett	Humphrey	Neuberger
Bayh	Inouye	Pastore
Beall	Javits	Pearson
Boggs	Keating	Pell
Brewster	Kennedy	Prouty
Burdick	Kuchel	Proxmire
Byrd, W. Va.	Long, Mo.	Randolph
Cannon	Magnuson	Ribicoff
Carlson	Mansfield	Saltonstall
Church	McCarthy	Smathers
Clark	McGee	Smith
Cooper	McGovern	Sparkman
Dirksen	McIntyre	Walters
Dodd	McNamara	Yarborough
Engle	Metcalf	Young, Ohio
Gore	Morton	

NAYS—14

Bennett	Jordan, Idaho	Morse
Byrd, Va.	Jordan, N.C.	Thurmond
Cotton	Lausche	Tower
Ervin	Long, La.	Williams, Del.
Hruska	Miller	

NOT VOTING—30

Bible	Goldwater	Mundt
Case	Gruening	Robertson
Curtis	Hart	Russell
Dominick	Hayden	Scott
Douglas	Hill	Simpson
Eastland	Jackson	Stennis
Edmondson	Johnston	Symington
Ellender	McClellan	Talmadge
Fong	Mecham	Williams, N.J.
Fulbright	Monroney	Young, N. Dak.

So the report was agreed to.

Mr. PASTORE. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. HOLLAND. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I arrived in the Chamber shortly after the yea-and-nay vote was taken. I was paired with the distinguished senior Senator from Arizona [Mr. HAYDEN], but I want the RECORD to show that I was opposed to the conference report.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 9499, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
December 24, 1963.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 22, 25, and 26 to the bill (H.R. 9499) entitled "An Act making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

"None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or qualified citizens of the United States, provided, however, that the President may waive the application of this amendment if it is important to the national interest."

Mr. PASTORE. Mr. President, for the information of the Senate, let me state that if Senators will remain in the Chamber, we can easily conclude our work on this measure by 1:30 p.m.

This is a very simple amendment. It was amended in the conference. Originally, it was suggested to the committee by the distinguished Senator from California [Mr. KUCHEL], who was rightfully disturbed over the engagement of third-nation nationals to do work in the second country where our foreign aid was being given. This provision has now been perfected. A further modification was included in the conference—namely, that the President may waive the application of this provision if it is important to do so in the national interest—for sometimes it does become necessary to engage nationals of a third country, in order to keep down costs, and if they have the particular skill that is required and if they are available. I understand that that is satisfactory to the Senator from California. I believe that the proposal ought to be approved without a record vote.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. KUCHEL. I merely wish to confirm what my able friend has said. In my judgment, the amendment is in or-

der and would be helpful. The intention of the amendment nevertheless is plain. I ask that the amendment be approved.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield back the remainder of his time?

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate concur in the amendment of the House to the amendment of the Senate numbered 14?

The amendment to the amendment was agreed to.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair lays before the Senate the message from the House receding from its disagreement to the amendment of the Senate numbered 20, and concurring therein with an amendment, which will be stated.

The LEGISLATIVE CLERK. *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 20, and concur therein with an amendment, as follows: Restore the matter stricken, amended to read as follows:

"None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination."

Mr. PASTORE. Mr. President, I do not believe that we need labor the amendment. It was clearly stated by the clerk. The language is customary. There is precedent for the language. There would be a prohibition or limitation on the use of the funds unless the President should determine that such guarantees would be in the national interest, and he would make a report of that determination to the House of Representatives and the Senate. He must do so within 30 days.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. AIKEN. How much money is provided in the bill for the use of the Export-Import Bank?

Mr. PASTORE. I know of no funds provided, excepting that there would be some limitations.

Mr. AIKEN. Other than an expression of opinion, what would be the effect of the amendment, or the amendment for which the present proposal was substituted?

Mr. PASTORE. It would merely be a statement of policy.

Mr. AIKEN. Would it be binding upon the President?

Mr. PASTORE. It would be binding upon the President in the event the funds are to be used for that purpose.

Mr. AIKEN. But could the funds provided in the proposed legislation be used for that purpose anyway?

Mr. PASTORE. That is correct. Originally it was subject to a point of order in the House, but the point of order was never made.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HOLLAND. Am I correct in my understanding that all that would be permitted, even though the President should make the finding required, is for the Export-Import Bank to guarantee the deferred payments for materials sold by us, and that the proposal would by no means allow the Export-Import Bank to make loans?

Mr. PASTORE. Not to make loans, but they could extend credit. The purchase must be made in America.

Mr. HOLLAND. And the proposal would apply to guarantees, and not to direct loans.

Mr. PASTORE. It would not be a loan, but an extension of credit.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. It is my understanding that there is involved a question of limitation of policy on the part of the Export-Import Bank. No funds would be involved by way of an appropriation, but there would be a certain limitation on the use of Export-Import Bank funds as an expression of policy on the part of Congress.

Mr. PASTORE. Yes, as the Senator from Vermont brought out, no funds would be appropriated under the title.

Mr. AIKEN. Not a nickel would be available under the bill to the Export-Import Bank.

Mr. PASTORE. The Senator is absolutely correct. In the House the provision was subject to a point of order.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HRUSKA. Is it not a little misleading to suggest that no funds would be available for that purpose, inasmuch as a guarantee of credit means that incidentally there must be funds available in case the credit is not honored?

Mr. PASTORE. No. If the Senator will read the language of the amendment, he will see that none of the funds made available would be available because of the provisions of that title. There may be funds made available under some other title, but that is not the issue before the Senate. The point made by the distinguished Senator from Vermont is well taken. The language is as follows:

Under the provisions of this title—

Which is title III of the foreign aid bill.

Mr. HRUSKA. Can we agree—

Mr. PASTORE. But it is a statement of policy. I believe the President of the United States will take cognizance of it.

Mr. HRUSKA. Can we agree on the statement that the effect of the amend-

ment is to negate totally the original provision of the House bill?

Mr. PASTORE. No; the Mundt amendment was written in the same way. The proposal is a copy of the Mundt amendment.

Mr. HRUSKA. I am talking about the House provision as it was found in the foreign aid bill.

Mr. PASTORE. The Senator is correct. That part of the bill has not been changed.

Mr. HRUSKA. In effect, that would negate it.

Mr. PASTORE. Negate what, and in what way?

Mr. HRUSKA. Why does the President object to the provision which the House inserted, and why is he now willing to accept the proposed provision? If it makes no difference, why should we adopt the proposal?

Mr. PASTORE. The President of the United States would rather not have the provision in the conference report at all. The Senate would rather not have it in at all. We voted it out. But the House was adamant in its desire to have it in its original form. We have modified the House version by providing that when the President determines it is in the national interest to do so he may take certain action. The action can be taken only if he makes such determination.

Mr. HRUSKA. So it is binding upon the President. He may use his own discretion, and when he uses his own discretion, the thing that the House desired—

Mr. PASTORE. The President of the United States—the Commander in Chief of the United States—has that power within his discretion, and he may use it.

Mr. HRUSKA. As the person in charge of the foreign affairs of our Nation.

Mr. PASTORE. Under the Constitution.

Mr. HRUSKA. However, the Export-Import Bank is not a creature of the Presidency. It is a creature of the Senate and the House, as a part of our national legislative policy, and that is not a part of the responsibilities of the President, even though his position in leading the Nation in its foreign policy be exalted.

Mr. PASTORE. Yes; but the Congress can refuse to appropriate funds.

Mr. HRUSKA. It can.

Mr. PASTORE. That is the remedy of the Congress.

Mr. HRUSKA. Very well.

Mr. PASTORE. I do not know what is disturbing the Senator from Nebraska.

Mr. HRUSKA. What disturbs the Senator from Nebraska is the fact that the House action has negated the action of the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HOLLAND. I believe the Senator from Nebraska knows that I supported the original Mundt amendment on the floor of the Senate as warmly as he did. I voted all three times that the issue came up in the Senate in the same way that he did. I still feel that way about it.

At the time when we were in conference—and I believe that this point should show in the RECORD—we were advised by the White House that the President was willing to assume the responsibility in this matter and that if the House amendment, which was written in the same way as the Mundt amendment, were so amended as to allow him to assume that full responsibility, he would accept that action. It was for that reason, if I may say to my distinguished friend, the Senator from Rhode Island—I am sure he can bear this out—that this final agreement was made after many hours of controversy in the conference. As an original supporter of the Mundt amendment, I do not believe that my distinguished friend from Nebraska is correct in saying that the action completely negates the original Mundt amendment or the version of that amendment, which was almost word perfect, that was adopted by the House, and merely makes it a question on which the President must make a declaration. He must make a finding and communicate that finding as a justification for any extension of a guarantee on the part of the Export-Import Bank.

Mr. PASTORE. Mr. President, this is not the first time we have taken the action proposed. We took similar action for President Eisenhower and for President Kennedy. In this critical time President Johnson has said, "Why do you not do it for me?" He would prefer not to have the provision in the report at all. The position of the President of the United States is that the provision does not belong in the bill, but if we insist on putting anything in there, he has said, "At least give me the authority as President of the United States to say when in the national interest it would be proper to extend credit." That is all it amounts to.

Mr. HOLLAND. That is exactly correct. That is the basis upon which the conference compromise was reached.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from South Carolina.

Mr. THURMOND. I thank the distinguished Senator from Rhode Island.

Mr. President, I should like to have the RECORD show that I oppose having the Export-Import Bank or any other creature of the Congress or any agency of the Federal Government guarantee for any person or corporation any loan which in effect extends credit to Communist nations to buy wheat or any other agricultural commodity. The stated aim of the Communists is to communize and enslave all the peoples of the world and I want to have no part in any action which I fear will help them in the attainment of this goal.

I thank the Senator for yielding.

Mr. PASTORE. I thank my colleague the Senator from South Carolina.

Mr. AIKEN and Mr. CURTIS addressed the Chair.

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, there seems to be a general public belief that

this provision would apply only to the export of wheat to Russia. It is correct to say, is it not, that not only would it apply to the export of wheat to Russia, but also it would apply to the export of wheat to a great many other countries, as well as to the export of anything whatsoever to any of the countries to which the proponents would have exports prohibited except on a cash-in-advance basis?

Mr. PASTORE. The Senator is correct. Before one can buy at all, one must have a license.

Mr. AIKEN. That is correct.

Mr. PASTORE. Then, if one wishes credit, as prescribed in the discussion which has been held, one must have a determination by the President. The Senator is correct.

Mr. AIKEN. It is also correct to say, is it not, that it is now costing the United States about \$400 million a year to store surplus grain in this country, and that most of the grain is stored in about seven or eight States?

Mr. PASTORE. All I know is that none of it is stored in Rhode Island.

Mr. AIKEN. Nor in Vermont.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from New Hampshire.

Mr. COTTON. In view of the fact that probably there will not be a yeand-nay vote on this question, I appreciate this opportunity to go on record and to say that no matter how much sugar coating has been put on the provision and no matter how adroit have been the arguments to beat the devil around the bush, it means nothing, it means something to me. I want the RECORD to show I shall vote against it.

Mr. MORSE rose.

Mr. PASTORE. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have the floor in my own right.

Mr. PASTORE. I yield the floor.

Mr. MORSE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I want the RECORD to show that I am opposed to the position of the Senate conferees, approving giving discretionary authority to the President of the United States. As I said earlier today in my speech on the conference report, article I of the Constitution places in Congress the authority to regulate commerce among the States and with foreign nations. It does not place that authority with the President of the United States.

I am greatly concerned about the growing tendency in the Congress to delegate away its functions to the Presidency. I speak about the Presidency and not about the holder of the office.

There are strong forces at work in this country to downgrade the Congress and to treat it almost as a cumbersome nuisance in our governmental processes. Unless the Members of Congress themselves fight to preserve congressional constitutional authority, I fear that in our time we shall not have the constitu-

tional system of government that our Founding Fathers designed. We may have it in form, but in fact the White House will be in control of the country, with the Congress of the United States serving in large extent as its rubber-stamp.

Every once in a while there break out, in American life, proposals for a parliamentary system. In 1946 a distinguished Member of Congress suggested that the President of the United States should resign because the people returned to Washington a Republican Congress. In his pronouncement at the time, he pointed out what would happen in Great Britain. I said then, as I repeat now, if that is the kind of system he likes he ought to go to Great Britain and run for the House of Commons. But he was elected to the Congress of the United States. Under the Constitution we have a three-branch system of government, coordinate and coequal.

I will continue to vote against attempts to weaken the constitutional authority of the Congress and to pass over to the Chief Executive more and more functions that Congress itself should perform. I say that, Mr. President, as a general political theory which causes me to oppose the conference report in respect to the so-called wheat amendment.

Mr. ERVIN. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. ERVIN. Do I correctly understand the position of the Senator from Oregon, succinctly stated, to be that the Export-Import Bank is the creature of the Congress, created by an act of Congress, and that it should have such powers and such responsibilities—and only those—as are conferred upon it by the Congress?

Mr. MORSE. That is exactly my position.

Mr. ERVIN. The proposed amendment would constitute an abdication of the legislative functions to the President, would it not?

Mr. MORSE. It would be a delegation to the President of a function Congress ought to retain for itself. This is the basis for my objection so far as the political theory of our Government is concerned.

I oppose this proposal for the other reasons I have heretofore expressed in the debate, which I shall recapitulate quickly.

I do not care how it is clothed, and I do not care how it is colored with legislative brushes, the fact remains that under this proposal the Export-Import Bank could guarantee grain dealers in this country against any loss in their trading with Russia. That is the essence of the fight.

To say that we have granted similar discretionary authority to other Presidents begs the question, because this issue is new.

The PRESIDING OFFICER. The time yielded by the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I yield myself another 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for an additional 5 minutes.

Mr. MORSE. This proposal is novel so far as the Export-Import Bank relations with Russia are concerned, and also so far as congressional relations with Russia are concerned.

There is no precedent of underwriting a guarantee to American grain dealers or to other American concerns in their dealings with Russia. I speak as one who not only is in favor of the sale of wheat to Russia, but also is in favor of giving food to the people behind the Iron Curtain everywhere, because if we are to break down, or to give those people an opportunity to break down, the growing threat of communism in the world, we must reach their stomachs. This shocking failure of the economy of Russia is one of the best weapons we have for demonstrating to them over and over again the superiority of economic freedom to economic enslavement.

But, Mr. President, there is a question of public policy, as to whether or not this Government should guarantee to American banks, grain dealers, or American brokers in connection with any other commodity, that they can trade with Russia without having to worry about being paid for their trade, because if they are not paid, the American taxpayers will pay them.

The fact is that every dollar in the coffers of the Export-Import Bank belongs to the American taxpayers. What is being proposed is that in dealing with Communist countries we guarantee a subsidy to the grain brokers, and brokers of other commodities, and assure them that they do not deal with Russia at any risk, but with guaranteed payments, if that becomes necessary.

There is no proposal in the report requiring a check on behalf of the American taxpayer of every ton of wheat that goes into every bottom that transports wheat to Russia. I know something about the tactics of the Russians. For many years I was west coast arbitrator for maritime disputes on the Pacific coast. We could not even get on a Russian ship, even when we thought she was an ally in the midst of a war, for inspection of that ship of lend-lease supplies, and later of war supplies that we were giving her. Some very serious problems arose.

When we are dealing with the Russians in the matter of shipment of goods, we are dealing with a country that has been noted for its subterfuges, evasions, and failure to keep its word. We have not heard a word in this debate about the hundreds of millions of dollars that Russia still owes the American taxpayers out of the obligations she assumed in World War II. I would be more interested in an approach such as this if Russia had paid up what she already owes the American taxpayers through the Government.

Nothing stops the grain dealers and the banks from trading with Russia, if they want to deal with her. They can sell her the wheat. But I do not think we ought to put the American taxpayer

in such a position that if there is a change of heart on the part of Russia—and she can change extremely fast—she can come up with a typical Communist alibi as to why she will not pay for the wheat, or the part which had not been paid for. She could make the excuse that the wheat, or a part of it, was wormy, or spoiled, or there was debris in it, or it was misrepresented as to quality. That is a typical Communist excuse. Therefore, I do not think we ought to put this subsidy burden on the American taxpayers and have the American taxpayers help the American grain speculators and brokers by way of a guarantee.

Russia has been buying much grain around the world without requirement of a guarantee. She has been buying much grain for cash. Why should we be the one government to provide a guarantee? I think the time has come to ascertain whether or not there can be good faith dealing on the part of Russia with American private enterprise, on the basis of commercial credits, without Export-Import Bank guarantees.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. I yield myself another 5 minutes.

So I am opposed to it from the standpoint of policy involved in the argument I have just made.

Lastly, I am opposed to it because I do not think that the language that has come back from the conference means

anything more or less than empty language. Every Senator voting for this proposal today knows that the language that was brought back to us from the conference gives us no automatic authority. Of course, Congress can always pass legislation repealing laws already passed by Congress, if the laws have not executed themselves. But this is a proposal that, if the President thinks, in the national interest, the credit should be extended, he in effect can extend it. All he has to do is send a report to the Congress. It does not provide that Congress must accept the report. It does not provide for a concurrent resolution. Nor does it call for the so-called negative approach that has been adopted in other situations in the past, whereby if the Congress does not act within 30 days, the President can go ahead and consummate the transaction. All this language requires is that the President, if he thinks it is in the national interest, may extend the credit.

I close by saying that it is unsound public policy. It is a great mistake to give credit guarantees to grain brokers and other industrialists who may trade with Russia. The time has come for the Congress to zealously and jealously hold the constitutional power already given to it. Under article I of the Constitution, it is the Congress, and not the President, that is authorized by the Constitution to regulate commerce among the States and with foreign countries. I do

not believe the power should be given to the President.

Mr. BEALL. Mr. President, I voted for the Mundt amendment. I oppose the sale of wheat to the Soviet Union. I am very much opposed to the amendment being offered. If given the opportunity to vote on it by a yea-and-nay vote, I would vote against it.

The PRESIDING OFFICER. All time having been yielded back, the question is on concurring in the House amendment to Senate amendment No. 20.

The amendment to the amendment was concurred in.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent that there be printed in the RECORD a table which shows the budget estimates, the amounts in the House and Senate versions of the bills, and the final amounts agreed to in conference for every appropriation bill approved during the 88th Congress, 1st session.

The total amount is \$6,513,041,004 under the budget estimates.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table of appropriation bills, 88th Cong., 1st sess.

[Does not include back-door appropriations or permanent appropriations. Does include indefinite appropriations carried in annual appropriation bills]

Bill No.	Title	Budget estimates to House	Amount as passed House	Budget estimates to Senate	Amount as passed Senate	Final action: Amount as approved	Increase or decrease compared to budget estimates
1963 SUPPLEMENTALS							
H.J. Res. 284	Supplemental, Agriculture	¹ \$508,172,000	\$508,172,000	¹ \$508,172,000	\$508,172,000	\$508,172,000	
H.R. 5517	Supplemental	1,641,507,106	1,438,691,506	1,652,300,456	1,488,683,841	1,467,430,491	—\$184,869,965
	Public works acceleration	(500,000,000)	(450,000,000)	(500,000,000)	(450,000,000)	450,000,000	(—50,000,000)
	All other	(1,141,507,106)	(988,691,506)	(1,152,300,456)	(1,038,683,841)	(1,017,430,491)	(—134,869,965)
	Total, 1963 supplementals	2,149,679,106	1,946,863,506	2,160,472,456	1,996,855,841	1,975,602,491	—184,869,965
1964 APPROPRIATIONS							
H.R. 5279	Interior	998,009,000	922,625,200	998,009,000	979,693,400	952,456,500	45,552,500
	Loan authorization	(13,000,000)	(6,000,000)	(13,000,000)	(6,000,000)	(6,000,000)	(—7,000,000)
	Contract authority	(17,500,000)		(17,500,000)			(—17,500,000)
H.R. 5366	Treasury-Post Office	6,146,842,000	5,997,026,000	6,146,842,000	6,069,466,250	6,045,466,000	—101,376,000
H.R. 5888	Labor-HEW	5,759,489,000	5,449,981,000	5,759,489,000	5,495,827,250	5,471,087,500	—288,401,500
H.R. 6754	Agriculture	6,368,755,000	5,979,457,000	6,368,755,000	6,047,988,340	6,224,370,215	—144,384,785
	Loan authorizations	¹ (855,000,000)	² (855,000,000)	² (855,000,000)	² (880,000,000)	² (855,000,000)	
H.R. 6868	Legislative	³ 148,580,245	³ 140,038,919	182,218,460	168,273,069	168,293,069	—13,925,381
H.R. 7063	State, Justice, Commerce, judiciary	2,159,891,900	1,851,259,900	2,159,891,900	1,821,343,000	1,820,093,000	—339,798,900
H.R. 7179	Defense	49,014,237,000	47,082,009,000	49,014,237,000	47,339,707,000	47,220,010,000	—1,794,227,000
H.R. 7431	District of Columbia	(289,581,800)	(284,286,800)	(328,724,000)	(319,587,785)	(313,093,424)	—(15,630,576)
	Federal payment	34,868,000	32,868,000	52,868,000	47,868,000	40,368,000	—12,500,000
	Loan authorizations	(8,000,000)	(8,000,000)	(20,800,000)	(20,800,000)	(19,300,000)	—(1,500,000)
H.R. 8747	Independent offices	14,658,588,000	13,102,718,700	14,658,588,000	13,300,214,650	13,224,518,050	—1,434,069,950
H.R. 9139	Military construction	1,966,400,000	1,562,964,000	1,966,400,000	1,617,489,000	1,585,880,000	—380,520,000
H.R. 9140	Public works	4,561,747,000	4,276,116,400	4,561,957,000	4,500,963,200	4,406,272,700	—155,684,300
H.R. 9499	Foreign aid	4,874,400,330	3,113,100,370	4,874,550,330	3,578,058,607	3,298,705,607	—1,575,844,723
H.J. Res. 875	Supplemental, mental retardation	41,886,000	41,886,000	41,886,000	258,090,000		—41,886,000
	Total, 1964 appropriations	496,733,693,475	89,552,060,489	496,785,691,680	91,224,981,766	90,457,520,641	—6,328,171,039
	Total, all appropriations	498,883,372,581	91,498,923,995	498,946,164,136	93,221,837,007	92,433,123,132	—6,513,041,004
	Total, loan authorizations	(876,000,000)	(869,000,000)	(888,800,000)	(906,800,000)	(880,300,000)	(—8,500,000)
	Total, contract authority	(17,500,000)		(17,500,000)			(—17,500,000)

¹ Shifted from budget for 1964, which was reduced accordingly.

² Includes \$360,000,000 for Farmers Home Administration loans currently made from loan repayments in lieu of former practice of public debt borrowings from Treasury.

³ Excludes Senate items.

⁴ Does not include \$32,427,000 included in H. Doc. No. 174 but not considered.

⁵ Does not include \$32,277,000 included in H. Doc. No. 174 but not considered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of December 12, 1963, the Acting President pro tempore, on the dates indicated, signed the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

On December 23, 1963:

S. 1175. An act to revise the boundaries of the Carlsbad Caverns National Park in the State of New Mexico, and for other purposes;

S. 2311. An act to provide for the preparation and printing of compilations of materials relating to annual national high school and college debate topics; and

H.J. Res. 848. Joint resolution to provide for the designation of the month of February in each year as "American Heart Month."

On December 26, 1963:

H.J. Res. 880. Joint resolution establishing that the 2d regular session of the 88th Congress convene at noon on Tuesday, January 7, 1964.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on December 23, 1963, the President had approved and signed the following acts:

S. 212. An act for the relief of Yoo Sei Chun;

S. 697. An act for the relief of Misako Moriya;

S. 966. An act for the relief of Yukio Iseri;

S. 1097. An act for the relief of Despina J. Santos;

S. 1129. An act for the relief of Thomas B. Bollers and Earlene Bollers;

S. 1172. An act to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518;

S. 1269. An act for the relief of the Arizona Milling Co., of Phoenix, Ariz.;

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas;

S. 1516. An act for the relief of Ana Murgelj;

S. 1570. An act for the relief of Dulcie Ann Steinhardt Sherlock;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1756. An act to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under that act;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 1868. An act to amend the act of August 3, 1956 (70 Stat. 986), as amended, relating to adult Indian vocational training;

S. 2139. An act to provide for the disposition of the judgment funds on deposit to the credit of the Kootenai Tribe or Band of Indians, Idaho;

S. 2228. An act to change the requirements for the annual meeting date for national banks;

S. 2275. An act to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; and

S. 2364. An act to provide that the Commission on the Disposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONSTRUCTION OF GROUND TEST FACILITIES AT MARSHALL SPACE FLIGHT CENTER, HUNTSVILLE, ALA.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of ground test facilities at the Marshall Space Flight Center, Huntsville, Ala.; to the Committee on Aeronautical and Space Sciences.

REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on title I agreements under the Agricultural Trade Development and Assistance Act, for the month of November 1963 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON FLIGHT PAY, U.S. AIR FORCE

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on flight pay, for the 6-month period ended August 31, 1963 (with an accompanying report); to the Committee on Armed Services.

REPORT ON DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on defense procurement from small and other business firms, for the period July-October 1963 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON PERMITS AND LICENSES FOR HYDROELECTRIC PROJECTS ISSUED BY FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting,

pursuant to law, a report on the permits and licenses for hydroelectric projects issued by that Commission, during the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORTS AND RECOMMENDATIONS OF NATO PARLIAMENTARIANS CONFERENCE

A letter from the President, NATO Parliamentarians Conference, Paris, France, transmitting, for the information of the Senate, reports and recommendations adopted by that Conference at its ninth annual session, November 4-9, 1963 (with an accompanying documents); to the Committee on Foreign Relations.

REPORT OF COMPTROLLER GENERAL OF THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the activities of the U.S. General Accounting Office, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXCESSIVE COST OF LEASING COMPARED WITH BUYING CERTAIN ELECTRONIC DATA PROCESSING EQUIPMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the excessive cost of leasing compared with buying certain electronic data processing equipment at Kirtland Air Force Base, N. Mex., Department of the Air Force, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ERRONEOUS REPORTING OF TAXABLE INCOME AND TAXES WITHHELD FROM PAY OF MILITARY PERSONNEL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on erroneous reporting of taxable income and taxes withheld from pay of military personnel, Department of the Air Force, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON DESIRABILITY OF ESTABLISHING MORE EQUITABLE ARRANGEMENTS BETWEEN FEDERAL GOVERNMENT AND CERTAIN COMMERCIAL BANKS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on further comments on the desirability of establishing more equitable arrangement between the Federal Government and commercial banks maintaining Treasury Department tax and loan accounts, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, SPOKANE VALLEY PROJECT, WASHINGTON

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Spokane Valley project, Washington, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON COLORADO RIVER STORAGE PROJECT AND PARTICIPATING PROJECTS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Colorado River storage project and participating projects, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Interior and Insular Affairs.



An Act

77 STAT. 857.

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1964, namely:

Foreign Aid
and Related
Agencies Approp-
riation Act,
1964.

TITLE I—FOREIGN AID (MUTUAL SECURITY)

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, to remain available until June 30, 1964, unless otherwise specified herein, as follows:

75 Stat. 424.
22 USC 2151
note.

ECONOMIC ASSISTANCE

Development grants: For expenses authorized by section 212, \$155,000,000.

22 USC 2172.
Ante, p. 381.

American schools and hospitals abroad: For expenses authorized by section 214(c), \$14,300,000.

22 USC 2174.

American hospitals and schools abroad (special foreign currency program): For expenses authorized by section 214(c), \$4,700,000, to be used to purchase foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

International organizations and programs: For expenses authorized by section 302, \$116,000,000.

22 USC 2222.

Supporting assistance: For expenses authorized by section 402, \$330,000,000.

22 USC 2242.

Contingency fund: For expenses authorized by section 451(a), \$50,000,000.

22 USC 2261.

Inter-American social and economic cooperation program: For expenses authorized by section 2 of the Latin American Development Act (74 Stat. 870), as amended, \$135,000,000, to remain available until expended.

22 USC 1943.

Alliance for Progress, development loans: For assistance authorized by section 252, \$375,000,000, to remain available until expended.

76 Stat. 258.

Alliance for Progress, development grants: For expenses authorized by section 252, \$80,000,000.

22 USC 2212.

Development loans: For expenses authorized by section 202(a), \$687,300,000, to remain available until expended: *Provided*, That no part of this appropriation may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

22 USC 2162.

Administrative expenses: For expenses authorized by section 637(a), \$50,000,000.

22 USC 2165.

22 USC 2397.

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961, as amended, and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$2,700,000.

75 Stat. 463.

22 USC 1613d.

Unobligated balances as of June 30, 1963, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1964 for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obli-

68 Stat. 830.
31 USC 200.

77 STAT. 85B.

22 USC 1751 note.
22 USC 2151 note.
Notification of congressional committees.

gated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

MILITARY ASSISTANCE

22 USC 2312.
22 USC 2396.

Military assistance: For expenses authorized by section 504(a) of the Foreign Assistance Act of 1961, as amended, including administrative expenses authorized by section 636(g)(1) of such Act, which shall not exceed \$24,000,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States: *Provided*, That none of the funds contained in the paragraph shall be available for the purchase of new automotive vehicles outside of the United States, \$1,000,000,000.

GENERAL PROVISIONS

Flood control and reclamation programs, etc.

SEC. 101. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

Engineering and architectural fees.
Reports to Congress.

SEC. 102. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

Restrictions.

SEC. 103. Except for the appropriations entitled "Contingency fund" and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

SEC. 104. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

Seating of Communist China in U.N., opposition.

SEC. 105. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of

Notification of Congress by the President.

the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 106. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.

Distinctions
because of
race or reli-
gion.

SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary strategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products.

Cuba.
Restrictions
on assistance
to certain
countries.
22 USC 2151
note.
22 USC 1611-
1611d.

(b) No economic assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

Presidential
determination.
Report to
Congress.

SEC. 108. Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not adversely affect the economy of the United States.

Publication
in F. R.

Procurement
outside U. S.
Report to
Congress.

22 USC 2354.

SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

Communist
nations.
Restriction
on military
assistance.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations

Restriction
on economic
assistance.

22 USC 2174.

Report to
Congress.

Publication in F. R. and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

75 Stat. 424. SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

Contracts outside U. S. SEC. 111. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any contract for the performance of services outside the United States by United States citizens where such citizens have not been investigated for loyalty and security in the same manner and to the same extent as would apply if they were regularly employed by the United States.

Capital projects. SEC. 112. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly approved the terms of the contracts and the firms to provide engineering, procurement, and construction services on such project.

22 USC 2201. SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$6,000,000 may be used during the fiscal year ending June 30, 1964, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

U. N. dues, restriction. SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages or dues of any member of the United Nations.

68 Stat. 456. SEC. 115. Foreign currencies not to exceed \$200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans.

71 Stat. 345. SEC. 116. None of the administrative expense or other funds herein appropriated shall be available in connection with the use of receipts of United States dollars, derived from loan repayments and interest collections, in the Development Loan Fund and Alliance for Progress revolving funds.

SEC. 117. Receipts of United States dollars in the Development Loan Fund and Alliance for Progress revolving funds, derived from loan repayments and interest collections, may hereafter, when so specified in appropriation Acts, be used for the purposes for which such revolving funds are available.

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient

country or qualified citizens of the United States: *Provided, however,* That the President may waive the application of this amendment if it is important to the national interest.

TITLE II—FOREIGN AID (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT

PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, including purchase of not to exceed five passenger motor vehicles for use outside the United States, \$92,100,000, together with the unobligated balance of the appropriation under this head for the fiscal year 1963, of which not to exceed \$19,900,000 shall be available for administration and program support costs. Ante, p. 359.
22 USC 2502.

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY

ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461), as amended (76 Stat. 742); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$4,000 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of six passenger motor vehicles, of which four shall be for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$10,000,000, of which not to exceed \$2,300,000 shall be available for administrative and information expenses, and \$2,000,000 shall be available for transfer to the Ryukyu Domestic Water Corporation for construction of a portion of the integrated island water system: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred. 60 Stat. 810.
40 USC 255;
31 USC 529.
70A Stat. 269.

77 STAT. 862.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$39,717,137, together with the unobligated balance of the appropriation under this head for the fiscal year 1963.

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for "Contributions to international organizations", \$18,374,000.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$10,550,000: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

FUNDS APPROPRIATED TO THE PRESIDENT

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment of subscriptions to the Inter-American Development Bank for expansion of the Fund for Special Operations, \$50,000,000 to remain available until expended: *Provided*, That this paragraph shall be effective only upon enactment into law of authorizing legislation.

SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the fourth installment of the subscription of the United States to the International Development Association, \$61,656,000, to remain available until expended.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,314,366,000 (of which not to exceed \$963,500,000 shall be for development loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$3,500,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$75 per diem for individuals, purchase of one passenger motor vehicle (for replacement only) at not to exceed \$3,000, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered as nonadministrative expenses for the purposes hereof. 60 Stat. 810.

None of the funds made available because of the provisions of this Title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination. Extension of credit to Communist countries, restriction. 76 Stat. 261. 22 USC 2370. Presidential determination.

TITLE IV—LEGISLATIVE BRANCH

SENATE

For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, \$22,500.

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous Items

For an additional amount for "Miscellaneous items", fiscal year 1963, \$190,000.

Miscellaneous Items

For an additional amount for "Miscellaneous items", \$215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and 70 Stat. 360.

twenty” and inserting in lieu thereof “one hundred and sixty” and by striking out the words “six hundred” and inserting in lieu thereof “eight hundred”.

Stationery (Revolving Fund)

For an additional amount for stationery, \$60,600: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of \$2,400 per annum.

HOUSE OF REPRESENTATIVES

For payment to Mae Doyle Walter, widow of Francis E. Walter, late a Representative from the State of Pennsylvania, \$22,500.

For payment to Clara H. Nygaard, widow of Hjalmar C. Nygaard, late a Representative from the State of North Dakota, \$22,500.

For payment to Susan G. Gavin, widow of Leon H. Gavin, late a Representative from the State of Pennsylvania, \$22,500.

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous Items

For an additional amount for “Miscellaneous items”, \$925,000.

Reporting Hearings

For an additional amount for “Reporting hearings”, \$48,000.

Special and Select Committees

For an additional amount for “Special and select committees”, \$665,500.

Telegraph and Telephone

For an additional amount for “Telegraph and telephone”, \$515,000.

Stationery (Revolving Fund)

For an additional amount for “Stationery (revolving fund)”, to remain available until expended: first session of the Eighty-eighth Congress, \$261,600; second session of the Eighty-eighth Congress, \$261,600.

Postage Stamps

For an additional amount for “Postage stamps”, to remain available until expended: first session of the Eighty-eighth Congress, \$45,710; second session of the Eighty-eighth Congress, \$45,710.

JOINT ITEMS

Education of Pages

For an additional amount for “Education of pages”, \$2,655, which amount shall be advanced and credited to the applicable appropriation of the District of Columbia.

TITLE V—CLAIMS AND JUDGMENTS

FEDERAL FUNDS

CLAIMS AND JUDGMENTS

For payment of claims as settled and determined by departments and agencies in accord with law, and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in House Document Numbered 182, Eighty-eighth Congress, \$12,982,095, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided, further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act.

DISTRICT OF COLUMBIA FUNDS

SETTLEMENT OF CLAIMS AND SUITS

For the payment of claims in excess of \$250, approved by the Commissioners in accordance with the provisions of the Act of February 11, 1929, as amended (45 Stat. 1160; 46 Stat. 500; 65 Stat. 131), \$22,238, which shall be payable from the general fund of the District of Columbia.

D. C. Code
1-902 to 1-906.

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Publicity or
propaganda.

SEC. 602. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

Restriction.

SEC. 603. Appropriations and other funds made available in acts making appropriations for the fiscal year ending June 30, 1964, shall be reserved and withheld from obligation through the apportionment procedure prescribed by law (31 U.S.C. 665) to the maximum extent possible, as determined by the Director of the Bureau of the Budget, on account of savings arising from enactment of any such acts after the beginning of such fiscal year. Nothing herein shall be construed to limit existing authority of law for reserving appropriations.

Reservation
of funds from
obligation.

- Restriction. SEC. 604. No part of any appropriation contained in this Act shall be used to conduct or assist in conducting any program (including but not limited to the payment of salaries, administrative expenses, and the conduct of research activities) related directly or indirectly to the establishment of a national service corps or similar domestic peace corps type of program.
- Short title. This Act may be cited as the "Foreign Aid and Related Agencies Appropriation Act, 1964".
- Approved January 6, 1964.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1040 (Comm. on Appropriations) and Nos. 1087 and 1091 (Comm. of Conference).
SENATE REPORT No. 785 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 109 (1963):

- Dec. 16: Considered and passed House.
- Dec. 18: Considered in Senate.
- Dec. 19: Considered and passed Senate, amended.
- Dec. 19: House agreed to conference.
- Dec. 21: House agreed to motion to recommit conference report to committee of conference.
- Dec. 23: House refused to consider resolution providing for consideration of conference report.
- Dec. 24: House adopted conference report and concurred in certain Senate amendments.
- Dec. 30: Conference report agreed to in Senate.

